

Washington, Friday, February 11, 1955

TITLE 7—AGRICULTURE

Chapter VIII—Commodity Stabilization Service (Sugar), Department of Agriculture

Subchapter I—Determination of Prices
[Sugar Determination 877.7]

PART 877-SUGARCANE; PUERTO RICO

FAIR AND REASONABLE PRICES FOR 1954-55 CROP

Pursuant to the provisions of section 301 (c) (2) of the Sugar Act of 1948, as amended (herein referred to as "act") after investigation, and due consideration of the evidence presented at the public hearing held in San Juan, Puerto Rico, on October 21 and 22, 1954, the following determination is hereby issued:

§ 877.7 Fair and reasonable prices for the 1954-55 crop of Puerto Rican sugarcane. A producer of sugarcane in Puerto Rico who processes sugarcane purchased from other producers (heremafter referred to as "processor") shall be deemed to have complied with the provisions of section 301 (c) (2) of the act with respect to the 1954-55 crop if he has paid or has contracted to pay for such sugarcane in accordance with the requirements set forth in this section.

(a) Definitions. For the purpose of this section, the term.

(1) "Raw sugar" means raw sugar of 96° polarization.

(2) "Sugar yield period" means the 2-week, 4-week, semi-monthly or monthly period, as agreed upon between the producer and the processor, in which sugarcane is delivered by the producer to the processors. Semi-monthly means (i) the first 15 days of a 29, 30, or 31-day month, or the first 14 days of a 28-day month; or (ii) the last 14 days of a 28 or 29-day month, the last 15 days of a 30-day month, or the last 16 days of a 31-day month.

(3) "Price of raw sugar" means the daily spot quotation of raw sugar of the New York Coffee and Sugar Exchange (domestic contract) adjusted to a duty paid basis by adding the U.S. duty pre-

vailing on Cuban raw sugar, except, that if the Director of the Sugar Division determines that such price does not reflect the true market value of raw sugar, he may designate the price to be effective under this determination.

(4) "Inferior varieties of sugarcane" means sugarcane of the Saccharum Spontaneum or Saccharum Sinense variety (including sugarcane of the Japanese, Uba, Kavangerie, Zuinga, Caladonia, Coimbatore 213 and Coimbatore 281 varieties)

(5) "Yield of raw sugar" means (i) for varieties of sugarcane other than inferior types the yield of raw sugar per 100 pounds of sugarcand determined for the sugar yield period in accordance with the formula set forth in Schedule A below and (ii) for inferior varieties of sugarcane, the yield of raw sugar per 100 pounds of sugarcane determined for the sugar yield period in accordance with the formula used during the 1950-51 crop grinding season.

(b) Basic payment. (1) The basic payment for sugarcane delivered by the producer (colono) to the processor shall be made as agreed upon by the producer and the processor, either by the delivery to the producer of his share of raw sugar packed in customary bags, or by the payment to the producer of the money value of his share of raw sugar.

(2) For sugarcane (including inferior varieties of sugarcane) having a yield of raw sugar of 9 pounds or more, such basic payment shall be not less than the quantity of raw sugar determined by applying the following applicable percentage to the yield of raw sugar of the producer's sugarcane:

ounds of raw sugar per 100 pounds	Per-
of sugarcane:	centage
9.0	63.0
9.5	63.5
10.0	
10.5	64.5
11.0	65.0
11.5	65.5
12.0	66.0
12.5	66.5
13.0	
13.5 and over	

Intermediate points within the above scale are to be interpolated to the nearest one-tenth point.

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909	(3) For sugarcane (including inf	
•••	varieties of sugarcane) having a	vield
	of raw sugar less than 9 pounds.	such
910	basic payment shall be not less than	n the
	quantity determined by subtracting pounds of raw sugar from the yie	3 ½ 1d. of
	raw sugar of the producer's sugar	cane.
910	(4) If settlement with the produc	cer is
909	made in cash, the processor shall	have
000	paid or shall have contracted to pay producer the money value of his s	the
010	of raw sugar determined on the bas	sis of
910	the simple average price of raw s	ugar
	for the period March 1, 1955 thr	
	February 29, 1956, converted to an f. mill price by subtracting applicable	0. b.
	missible deductions for selling and	de-
903	livery expenses on raw sugar liste	d in
000	Schedule B below.	
903	(c) Molasses payment. For each of sugarcane delivered, the proceed	i von essor
	shall have paid, or shall have contra	cted
	to pay to the producer an amount e	equal
009	to the product of (1) 66 percent of	the
883	net proceeds per gallon of blacks	uran

molasses sold of the 1954-55 crop in excess of five cents per gallon, and (2) the average production of blackstrap molasses per ton of sugarcane of the 1954-55 crop processed at each mill. A processor operating more than one mill may compute the net proceeds on the basis of the average gross proceeds from the sales of molasses produced at all mills operated by such processor. Admissible deductions for selling and delivery expenses to be used in calculating molasses net proceeds are listed in Schedule C below:

(d) Charges, services and allowances to producers. (1) When payment is made to the producer by the delivery of raw sugar, the processor shall store and insure (or agree to store and insure) all such sugar through December 31, 1955, free of charge to the producer: Provided, That the producer shall bear any charges arising out of the necessity of utilizing outside storage facilities for such sugar prior to January 1, 1956.

(2) When payment is made to the producer by the delivery of raw sugar, the processor shall share (or agree to share) with the producer on a pro rata basis all ocean shipping facilities avail-

able to the processor.

- (3) Allowances made to producers by the processor for the 1949-50 crop shall be made for the 1954-55 crop at the rates which were effective under comparable conditions in 1949-50; services performed, the costs of which were absorbed by the processor for the 1949-50 crop, shall be performed for the 1954-55 crop: Provided, That nothing in this subparagraph shall be construed as prohibiting modification of practices which may be necessary because of unusual circumstances, any modifications to be subject to approval of the Caribbean Area Agricultural Stabilization and Conservation Office, San Juan, Puerto Rico (hereafter referred to as the "Area Office")
- (e) Reporting requirements. (1) The processor shall submit to the Area Office, within a reasonable time prior to the commencement of grinding, a list of those producers with whom settlement will be made in cash and those with whom settlement will be made in sugar.
- (2) The processor shall submit in duplicate to the Area Office not later than August 1, 1956, statements verified by a certified public accountant of the deductions made in determining the f. o. b. mill price of sugar and the net proceeds from molasses.
- (f) Agency. If sugarcane is delivered to the processor in the name of a person other than the producer thereof (commonly referred to as "purchasing agent") the processor shall make payment to the producer of such sugarcane in accordance with the provisions of this section.
- (g) Subterfuge. The processor shall not reduce returns to the producer below those determined in this section through any subterfuge or device whatsoever.
- (h) Issuance of instructions to Area Office. The Deputy Administrator for Production Adjustment of the Commodity Stabilization Service will issue such instructions to the Area Office as may

molasses sold of the 1954-55 crop in be necessary to effectuate the purpose of excess of five cents per gallon, and (2) this section.

STATEMENT OF BASES AND CONSIDERATIONS

- (a) General. The foregoing determination provides fair and reasonable prices to be paid for sugarcane of the 1954-55 crop purchased from other producers by a processor who is also a producer of sugarcane. It prescribes the minimum requirements with respect to prices for sugarcane which must be met as one of the conditions for payment under the act.
- (b) Requirements of the act. The act requires that in determining fair and reasonable prices public hearings be held and investigations be made. Accordingly, on October 21 and 22, 1954, a public hearing was held in San Juan, Puerto Rico, at which time interested persons presented testimony with respect to fair and reasonable prices for the 1954-55 crop of sugarcane. In addition, investigations have been made of conditions relating to the sugar industry in Puerto Rico.
- (c) 1954-55 price determination. The 1954-55 price determination continues the provisions of the 1953-54 determination although minor changes have been made in language. The formula for determining "yield of raw sugar" from sugarcane other than inferior varieties is specified in Schedule A below.

At the public hearing a representative of the Puerto Rico Grower-Processor Committee, a committee representing growers of the Puerto Rico Farm Bureau Federation and growers and processors of the Association of Sugar Producers of Puerto Rico, recommended that the provisions of the 1953-54 price determination be continued for the 1954-55 crop. A representative for one processor, who is not a member of the Association of Sugar Producers of Puerto Rico, recommended that for sugarcane yielding less than 9 pounds of raw sugar per 100 pounds of cane processed, the processor receive 4 pounds of raw sugar instead of the 31/3 pounds heretofore provided. A representative of a processor who grinds a small quantity of inferior sugarcane stated that liquidation for such cane had been made on the same basis as liquidation for noble cane because of difficulties involved in accurately determining the quantities of such inferior cane. He pointed out that recent determinations have provided that all processors liquidate for inferior cane on the basis of the formula used for the 1950-51 crop. He recommended that the determination provide a uniform basis of settlement for all processors. In supplemental briefs the representative of producers recommended that the net proceeds from molasses be shared on the same basis as sugar proceeds, while the representative of the processors recommended that the molasses payment be eliminated as a factor in the price determination.

Consideration has been given to the recommendations made at the public hearing, to information obtained as a result of investigations and to returns, costs, and profits data of the Puerto Rican sugar industry obtained by a survey covering recent crops which have

been restated in terms of prospective conditions for the 1954-55 crop. An examination of the economic position of processors and producers indicates no basis for a change in the sharing relationship which has been in effect in recent years nor for a change in other provisions of the determination. Accordingly, the continuation of the 1954 price determination for the 1955 crop is deemed to be fair and reasonable.

Accordingly I hereby find and conclude that the foregoing price determination will effectuate the price provisions of the Sugar Act of 1948, as amended.

(Sec. 403, 61 Stat. 932; 7 U. S. C. Sup. 1153. Interprets or applies sec. 301, 61 Stat. 929; 7 U. S. C. Sup. 1131)

Issued this 8th day of February 1955.

[SEAL] TRUE D. Morse,
Acting Secretary of Agriculture.

SCHEDULE A

Formula for determining the "yield of raw sugar" for varieties other than inferior varieties of sugarcane.

R = (S - 0.3B)F

where

R = Recoverable sugar yield, 96° polarization.

S = Polarization of the crusher juice obtained from the sugarcane of each producer.

B=Brix of the crusher juice obtained from the sugarcane of each producer.

F= Factor obtained from the fraction whose numerator is the average yield of sugar of 96° polarization obtained from the aggregate grinding during the sugar yield period in which the sugarcane of the producer has been ground, and whose denominator is the average polarization of the crusher juice, minus three-tenths of the brix of the crusher juice, both components of the denominator being obtained from the aggregate grinding during the sugar yield period in which the sugarcane of the producer has been ground.

SCHEDULE B-ADMISSIBLE DEDUCTIONS FOR SELLING AND DELIVERY EXPENSES ON RAW SUGAR

Admissible deductions for selling and delivery expenses are for those expenses incurred on 1954-55 crop raw sugar which commence with the unstacking of raw sugar at the warehouse and include expenses incurred thereafter incidental to the delivery of raw sugar to the purchaser. The deductions are limited to the sum of the following expenses actually incurred at each mill operated by a processor, net of any receipts which reduce such expenses.

- 1. Necessary outside storage;
- Freight from warehouse to dock, including covering cars where necessary;

3. Handling at dock, including unloading and stacking;

- 4. Wharfage, lighterage, and dock warehousing when incurred as an item separate from wharfage and when necessary in delivery of sugar from warehouse or mill to shipside;
 - 5. Ocean freight;
- Freight demurrage resulting from causes beyond the control of the shipper;

And an allowance of 8.7 cents per hundredweight of 96° raw sugar in lieu of:

- 7. Unstacking, tallying and loading; 8. Shore risk, marine and war risk
- 9. Rebagging and mending whenever and wherever incurred;

- 10. Brokerage or commissions and exchange;
- Weighing, testing, sampling, mending and taring at destination;
- 12. All other expenses not itemized herein;

And the following additional expenses incurred between January 1, 1956 and February 29, 1956.

13. Personal property tax:

- 14. Storage not covered by item 1;
- 15. Insurance on stored sugar.

When any of the necessary services included in items 1 through 6 and item 14 above are furnished by the processor, costs incurred shall include for each of the services rendered:

- 1. Direct and immediate supervisory labor;
- Maintenance labor and supplies required for the facilities used;
- 3. Taxes and insurance assessed or charged to the processor on such labor and a proportionate share of retirement and pension, bonuses and vacation expenses properly allocable to such labor;
 - 4. Direct supplies;
- 5. Depreciation (at rates allowed by the taxing authority), property taxes, and property insurance on the facilities used.

Administrative expenses and interest shall be excluded from the computation of costs. In the event that facilities used in providing the necessary services are also used for other purposes by the processor, only that portion of the maintenance, depreciation, property taxes, and property insurance of such facilities properly apportionable to the necessary service shall be allowed.

The Director, Caribbean Area Office, may by administrative interpretation, permit the use of the lowest rate charged by a public utility or carrier for comparable service in lieu of the costs incurred by the processor in furnishing the necessary service in the event that the costs incurred therefor cannot be accurately determined.

In determining the f. o. b. mill price of raw sugar sold or processed in Puerto Rico, equivalent selling and delivery expenses as approved by the Director, Caribbean Area Office, may be allowed in lieu of expenses actually incurred.

The following certification shall be made on statements submitted in duplicate not later than August 1, 1956 to the Caribbean Area Office, Agricultural Stabilization and Conservation Service, Santurce, Puerto Rico:

CERTIFICATION

I hereby certify that the deductions set forth herein are properly chargeable as deductions for selling and delivery expenses for sugar in accordance with the determination of fair and reasonable prices for the 1954-55 crop of Puerto Rican sugarcane.

SCHEDULE C-DEFINITION OF ADMISSIBLE DE-DUCTIONS FOR SELLING AND DELIVERY EX-PENSES FOR MOLASSES

Admissible deductions for selling and delivery expenses in connection with the molasses payment provided in paragraph (c) of the 1954-55 price determination, are limited to the sum of the following expenses actually incurred at each mill operated by a processor, net of any receipts which reduce such expenses:

- Operation of pumps to deliver molasses from mill tank to shipside or other delivery point;
- 2. Freight from mill tank to shipside (or to local buyers when such molasses is sold on a delivered price basis),
- 3. Operation of tank barges, tugs, or other marine equipment used in delivering molasses to shipside;
 - 4. Weighing and testing;
 - 5. Wharfage;
- Shore risk insurance (limited in coverage from mill to shipside),

- 7. Freight demurrage resulting from causes beyond the control of the shipper;
- 8. Insular taxes on molasses produced, used, sold, brought into or consumed in Puerto Rico:
- 9. Brokerage paid to a bona fide broker.

When any of the necessary services included in items 1 through 9 above are furnished by the processor, costs incurred shall include for each of the services rendered:

- Direct and immediate supervisory labor;
 Maintenance labor and supplies required for the facilities used;
- Taxes and insurance assessed or charged to the processor on such labor and a proportionate share of retirement and pensions;

4. Fuel, energy or direct supplies; 5. Depreciation (at rates allowed by the taxing authorities) property taxes and property insurance on the facilities used.

Administrative expenses and interest shall be excluded from the computation of cost. In the event that facilities used in providing the necessary services are also used for other purposes by the processor, only that portion of the maintenance, depreciation, property taxes and property insurance of such facilities, properly apportionable to the necessary service, shall be allowed.

The Director, Caribbean Area Office, may, by administrative interpretation, permit the use of the lowest rate charged by a public utility or carrier for comparable service in lieu of the cost incurred by the processor in furnishing the necessary service in the event that the costs incurred therefor cannot be accurately determined.

The following certification shall be made on statements submitted in duplicate not later than August 1, 1956 to the Caribbean Area Office, Agricultural Stabilization and Conservation Service, Santurce, Puerto Rico:

CERTIFICATION

I hereby certify that the deductions set forth herein are properly chargeable as deductions for selling and delivery expenses for molasses in accordance with the determination of fair and reasonable prices for the 1954-55 crop of Puerto Rican sugarcane.

[F R. Doc. 55-1240; Filed, Feb. 10, 1955; 8:55 a. m.]

Chapter IX—Agricultural Marketing Service (Marketing Agreements and Orders), Department of Agriculture

PART 935—MILK IN THE OMAHA-COUNCIL BLUFFS MARKETING AREA

ORDER SUSPENDING CERTAIN PROVISIONS OF ORDER, AS AMENDED, REGULATING HAN-

Pursuant to the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.) hereinafter referred to as the "act," and of the order, as amended (7 CFR Part 935) regulating the handling of milk in the Omaha-Lincoln-Council Bluffs marketing area, hereinafter referred to as the "order" it is hereby found and determined that:

(a) The provisions of § 935.8 limiting the definition of unapproved plant to a "milk processing" plant and of § 935.41 (b) (1) limiting Class II utilization to "milk" products no longer tend to effectuate the declared policy of the act.

(b) Notice of proposed rule making, public procedure thereon, and 30 days prior notice to the effective date hereof

are found to be impracticable, unnecessary and contrary to the public interest in that (1) this suspension order relieves handlers from paying a Class I price for milk disposed of for use in frozen foods, wholesale bakery and candy products, soups, etc; (2) such suspension has been requested by handlers of more than 95 percent of the milk regulated by the order and has been approved by the producers' cooperative association which represents an even greater percentage of the milk subject to regulation by the order: (3) such suspension will provide additional outlets for the milk produced in excess of the market's fluid requirements which otherwise would be utilized in butter and non-fat dry milk solids; (4) this suspension order does not require of persons affected substantial or extensive preparation prior to its effective date; and (5) the time intervening between the date of this suspension order and its effective date affords persons affected a reasonable time to prepare for its effective date.

It is therefore ordered, That the following provisions be and hereby are suspended, effective at 12:01 a.m. February 15, 1955.

1. In § 935.8 the words "milk processing," and

2. In § 935.41 (b) (1) the word "milk." (Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. 608c)

Done at Washington, D. C., this 8th day of February 1955.

[SEAL]

EARL L. BUTZ, Assistant Secretary.

[F R. Doc. 55-1216; Filed, Feb. 10, 1955; 8:49 a. m.]

TITLE 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission

PART 6—EXCEPTIONS FROM THE COMPETITIVE SERVICE

TREASURY DEPARTMENT

Effective upon publication in the Federal Register, paragraph (b) (1) of § 6.103, and subparagraphs (10) (11) (12) and (13 of § 6.303 (a) are revoked, paragraph (1) (1) is added to § 6.103 and paragraph (f) (1) (2) (3) and (4) is added to § 6.303 as set out below.

- § 6.103 Treasury Department. • • (1) Office of Production and Defense Lending. (1) Until September 30, 1955,
- Lending. (1) Until September 30, 1955, one Assistant Controller (Treasurer) Reconstruction Finance Corporation.

 § 6.303 Treasury Department. • •
- (f) Office of Production and Defense Lending. (1) Until September 30, 1955, one Staff Assistant to the Assistant Secretary of the Treasury Reconstruction Finance Corporation.
- (2) Until September 30, 1955, one Special Assistant to the Assistant Secretary of the Treasury Reconstruction Finance Corporation.
- (3) Until September 30, 1955, two Administrative Assistants, Office of the Assistant Secretary of the Treasury Reconstruction Finance Corporation.

(4) Until September 30, 1955, the mums prescribed in this part shall apply General Counsel, the Director of the Office of Loan Administration and Liquidation, and the Controller (Treasurer) Reconstruction Finance Corpora-

(R. S. 1753, sec. 2, 22 Stat. 403; 5 U. S. C. 631, 633; E. O. 10440, 18 F R. 1823, 3 CFR, 1953 Supp.)

United States Civil Serv-ICE COMMISSION. [SEAL] WM. C. HULL,

Executive Assistant.

[F. R. Doc. 55-1214; Filed, Feb. 10, 1955; 8:49 a. m.]

TITLE 14-CIVIL AVIATION

Chapter II—Civil Aeronautics Administration, Department of Commerce

[Amdt. 128]

PART 609-STANDARD INSTRUMENT APPROACH PROCEDURES

LANDING MINIMUMS WITH INOPERATIVE COMPONENTS

Although air carriers have been permitted under authority of their operations specifications to conduct an instrument approach with certain components of the ILS inoperative, Part 609 has not expressly provided similar authority to other users. These rules specify the components of the ILS and specifically authorize all users to conduct an ILS instrument approach when certain components are inoperative. The maximum allowable rate of descent is also changed by these rules from 500 to 600 feet per minute, thus liberalizing the conditions under which straight-in landing minimums may be authorized. Other miscellaneous amendments are provided for the purpose of clarifying the applicability of Part 609 but do not involve any change in the substance of the affected provisions. The proposed rules were published on November 19, 1954, in 19 F R. 7459, interested persons were afforded an opportunity to submit data, views, or arguments; and consideration has been given to all relevant matter presented. The following rules are hereby adopted:

- 1. Amend § 609.2 to read as follows:
- § 609.2 Basis and purpose. Under the provisions of the Civil Air Regulations, the Administrator has been delegated the authority to prescribe Standard Instrument Approach Procedures to be used when conducting an instrument let-down to an airport and the weather minimums applicable to an IFR take-off or landing. This part contains such procedures and minimums as prescribed by the Administrator for civil airports located within the United States, and the criteria by which such procedures are established.
- 2. Amend paragraphs (a) (d) and (i) of § 609.3 as follows and add a new paragraph (m) to said section to read as follows:
- § 609.3 General—(a) Applicability. Unless otherwise authorized by the Administrator the procedures and mini-

as follows:

- (1) The Standard Instrument Approach Procedures and the IFR landing minimums for such procedures are applicable to all users of the airport for which they are prescribed.
- (2) The IFR take-off minimums are applicable to all users of the airport while conducting operations under the authority of Parts 40, 41, 42, 44 or 45 of this title.
- (3) The IFR take-off or landing minimums shall not apply to military aircraft of the United States Armed Forces.
- (d) Use of radio range for ADF approach. A low frequency type (200 through 400 kcs) simultaneous radio range may be used as an ADF instrument approach aid if (1) an ADF procedure for the airport concerned is prescribed by the Administrator, or (2) an approach is conducted using the same course for an ADF track as that specified in the approved range procedure and with identical altitudes as used in the range approach.
- (i) Descent below authorized IFR landing minimums. No aircraft, after reaching an altitude equal to the minimum altitude for landings specified in these regulations, will descend below such altitude unless it is clear of clouds, and thereafter, except when landing minimums equal to or higher than 1000-2 are authorized, the aircraft will not descend more than 50 feet below such altitude, unless (1) it has arrived at a position from which a normal approach can be made to the runway of intended landing, and (2) either the approach threshold of such runway or the approach lights or other markings identifiable with such runway are clearly visible to the pilot. If, at any time, after descent below the clouds, the pilot cannot maintain visual reference to the ground or lights, he will immediately execute the appropriate missed approach procedure prescribed in the regulations in this part.
- (m) Landing minimums with inoperative ILS components. The components comprising the instrument landing system (ILS) are (1) localizer, (2) glide slope, (3) outer marker, (4) middle marker, and (5) approach lights. In addition, although not a component, a compass locator at an outer or middle marker site may be substituted for the outer or middle marker respectively. Unless otherwise specified in the instrument approach procedure for a particular airport, an ILS instrument approach procedure shall not be commenced when any component of the ILS is inoperative. or the related airborne equipment in the aircraft is inoperative or is not utilized. except in accordance with the following conditions and limitations:
- (1) One component, except localizer inoperative, use for straight-in approaches. Straight-in ILS minimums as low as 300-34 are authorized when any single component of the ILS except the localizer is inoperative, provided all

- other components are in normal opera-
- (2) Localizer and outer marker only operative, use for straight-in approaches. Straight-in ILS minimums as low as 300-1 are approved when the localizer and the outer marker are the only components of the ILS in normal operation.
- (3) Localizer and outer marker only operative, use for circling approaches. An ILS instrument approach is approved for circling approaches if the localizer and the outer marker are the only components of the ILS in normal operation. and if the ceiling and visibility minimums are equal to or higher than those prescribed for a circling approach.
- (4) One component, except localizer inoperative, use of airport as an alternate. An ILS instrument approach is approved for use of the airport as an alternate when any single component of the ILS except the localizer is inoperative provided all other components are in normal operation, and if the ceiling and visibility minimums are equal to or higher than those prescribed for use of the airport as an alternate.
- 3. Amend paragraph (a) (3) of § 609.4 by changing "500 feet per minute" to "600 feet per minute."

(Sec. 205, 52 Stat. 984, as amended; 49 U.S. C. 425. Interpret or apply sec. 601, 52 Stat. 1007, as amended; 49 U. S. C. 551)

This amendment shall become effective upon publication in the FEDERAL REGISTER.

[SEAL] F B. LEE, Administrator of Civil Aeronautics.

[F. R. Doc. 55-1202; Filed, Feb. 10, 1955; 8:45 a. m.]

TITLE 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare

PART 141b-STREPTOMYCIN (OR DIHYDRO-STREPTOMYCIN) AND STREPTOMYCIN-(OR DIHYDROSTREPTOMYCIN-) CONTAIN-ING DRUGS

PART 141c—CHLORTETRACYCLINE (OR TET-RACYCLINE) AND CHLORTETRACYCLINE-(OR TETRACYCLINE-) CONTAINING DRUGS; TESTS AND METHODS OF ASSAY

PART 146b-CERTIFICATION OF STREPTO-MYCIN (OR DIHYDROSTREPTOMYCIN) AND STREPTOMYCIN- (OR DIHYDRO-STREPTOMYCIN-) CONTAINING DRUGS

PART 146C-CERTIFICATION OF CHLOR-TETRACYCLINE (OR TETRACYCLINE) AND CHLORTETRACYCLINE- (OR TETRACY-CLINE-) CONTAINING DRUGS

MISCELLANEOUS AMENDMENTS

By virtue of the authority vested in the Secretary by the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 507, 59 Stat. 463, as amended by 61 Stat. 11, 63 Stat. 409, 67 Stat. 389 sec. 701, 52 Stat. 1055; 21 U. S. C. 357, 371) the regulations for tests and methods of assay for antibiotic and antibiotic-containing drugs (21 CFR, 1953 Supp., 141b, 141c; 19 F R. 1141) and certification of antibiotic and antibiotic-containing drugs (21 CFR, 1953 Supp., 146b, 146c; 19 F R. 229, 673, 1141, 4000, 4405) are amended as indicated below.

1. Part 141b is amended by adding the following new section:

§ 141b.129 Streptomycin-polymyxinneomycin ointment; dihydrostreptomycin-polymyxin-neomycin ointment (a) Potency—(1) Streptomycin content. Proceed as directed in § 141b.101 (a) through (i) inclusive, except prepare the sample in one of the following ways:

(i) Extraction. Place a convenient sized representative quantity of the sample in a separatory funnel containing approximately 50 milliliters of peroxide-free ether. Shake the sample and ether until homegenous. Add a 20milliliter portion of 0.1M potassium phosphate buffer, pH 8.0, and shake well. Remove the buffer layer and repeat the extraction with 20-milliliter portions of buffer at least three times and any additional times that may be necessary to insure complete extraction of the antibiotic. Combine the extractives and make the appropriate estimated dilutions in 0.1M potassium phosphate buffer. pH 8.0.

(ii) Blending. Place a convenient sized representative quantity of the sample in a blending jar containing 1.0 milliliter of a 10-percent aqueous solution of polysorbate 80 and sufficient 1.0 milliproper a volume of 200 milliliters. Using a high-speed blender, blend for 2 minutes and then make the appropriate estimated dilutions with buffer. Its content of streptomycin is satisfactory if it contains not less than 85 percent of the number of milligrams per gram that it is represented to contain.

(2) Dihydrostreptomycin content. Proceed as directed in subparagraph (1) of this paragraph, using the dihydrostreptomycin working standard as a standard of comparison. Its content of dihydrostreptomycin is satisfactory if it contains not less than 85 percent of the number of milligrams per gram that it

is represented to contain.

(3) Polymyxin content. Proceed as directed in § 141b.112 (b) (1) with the

following exceptions:

(i) In lieu of the directions for the preparation of the sample described in subdivision (vii) of § 141b.112 (b) (1) prepare the sample as follows: Place a convenient sized representative quantity of the sample in a separatory funnel containing approximately 50 milliliters of peroxide-free ether. Shake the sample and ether until homogeneous. Add 25 milliliters of 10-percent potassium phosphate buffer, pH 6.0, containing 2 grams of K2HPO4 and 8 grams of KH2PO4 in each 100 milliliters, and shake. Remove the buffer layer and repeat the extraction with 25-milliliter portions of buffer at least three times and any additional times that may be necessary to insure complete extraction of the antibiotic. Combine the extractives and make the proper estimated dilutions in 10-percent potassium phosphate buffer pH 6.0, to give a concentration of 10 units per milliliter (estimated)

(ii) The standard curve is prepared in the following concentrations: 6, 7, 8, 9, 10, 11, 12, 13, 14, and 15 units per milliliter in 10-percent potassium phosphate buffer, pH 6.0. The 10 units per milliliter concentration is used as the reference point. Its content of polymyxin is satisfactory if it contains not less than 85 percent of the number of units per gram that it is represented to contain.

(4) Neomycin content. Proceed as directed in § 141e.410 (b) (1) of this chapter, with the following exceptions:

- (i) In lieu of the directions for the preparation of the sample described in § 141e.410 (b) (1) (vii) of this chapter, the sample as directed in subparagraph (1) (i) of this paragraph or by a blending technique as follows: Place a convenient sized representative quantity of the sample in a blending jar containing 1.0 milliliter of a 0.3-percent aqueous solution of dioctyl sodium sulfosuccinate and sufficient 0.1M potassium phosphate buffer, pH 8.0, to give a volume of 200 milliliters. Using a high-speed blender, blend for 5 minutes and then make the appropriate estimated dilutions with buffer.
- (ii) Use as the test organism the Food and Drug Administration dihydrostreptomycin- (and streptomycin-) resistant strain of M. pyogenes var. aureus (P C. I. 1209 R. D.) which is grown and maintained on media containing 1,000 micrograms of dihydrostreptomycin per milliliter of agar. Its content of neomycin is satisfactory if it contains not less than 85 percent of the number of milligrams per gram that it is represented to contain.
- (b) Moisture. Proceed as directed in § 141a.8 (b) of this chapter.
- 2. The headnote and paragraph (a) of § 141c.204 are changed to read.
- § 141c.204 Chlortetracycline capsules (Chlortetracycline hydrochloride capsules) tetracycline hydrochloride capsules; tetracycline capsules—(a) Potency. Using 3 capsules of 250 milligrams or 5 capsules of 50 milligrams or 100 milligrams and 500 milliliters of water in the blender, proceed as directed in § 141c.203 (a) if it is chlortetracycline. If it is tetracycline hydrochloride or tetracycline, use 500 milliliters of 0.01N HCl and proceed as directed in § 141c.218 If it contains vegetable oils, use 1 milliliter of a 10-percent aqueous solution of polysorbate 80 and sufficient solvent to give 500 milliliters. The average potency of the drug is satisfactory if it contains not less than 85 percent of the number of milligrams it is represented to contain.
- 3. Part 146b is amended by adding the following new section:
- § 146b.124 Streptomycin-polymyxin-neomycin ointment; dihydrostreptomycin-polymyxin-neomycin ointment—(a) Standards of identity, stength, quality, and purity. Streptomycin-polymyxin-neomycin ointment and dihydrostreptomycin-polymyxin-neomycin ointment are streptomycin or dihydrostreptomycin, polymyxin, and neomycin in a suitable and harmless ointment base, with or without one or more suitable sulfonamides, and with or without suitable

and harmless dispersing and suspending agents. Its moisture content is not more than 1 percent. It contains not less than 8 milligrams of neomycin, not less than 8 milligrams of streptomycin or dihydrostreptomycin, and not less than 5,000 units of polymyxin B per gram of ointment. The streptomycin used conforms to the requirements of § 146b.101 (a) except § 146b.101 (a) (2) (4) and (5) The dihydrostreptomycin used conforms to the requirements of § 146b.103, except the standards for sterility pyrogens, and histamine. The polymyxin B used conforms to the requirements prescribed for polymyxin B by § 146b.107 (a) neomycin used conforms to the requirements prescribed for neomycin by § 146e.410 (a) (2) of this chapter. Each other substance used, if its name is recognized in the U.S.P or N.F., conforms to the standards prescribed therefor by such official compendium.

(b) Packaging. Each batch of ointment shall be packaged in collapsible tubes which shall be well-closed containers as defined by the U.S. P The composition of the immediate container shall be such as will not cause any change in the strength, quality or purity of the contents beyond any limit therefor in applicable standards, except that minor changes so caused that are normal and unavoidable in good packaging, storage, and distribution practice shall be disregarded.

(c) Labeling. Each package shall bear on its label or labeling, as hereinafter indicated, the following:

- (1) On the outside wrapper or container and the immediate container.
 - (i) The batch mark.
- (ii) The number of milligrams of streptomycin or dihydrostreptomycin, the number of milligrams of neomycin, and the number of units of polymyxin B in each gram of the batch.
- (iii) If the batch contains one or more sulfonamides, the name and quantity of each such ingredient per gram of the batch.
- (iv) The statement "For veterinary use only."
- (v) The statement "Expiration date ____," the blank being filled in with the date that is 12 months after the month during which the batch was certified: Provided, however That such expiration date may be omitted from the immediate container if such immediate container is packaged in an individual wrapper or container.
- (2) On the circular or other labeling within or attached to the package, adequate directions and warnings for the veterinary use of such drug by the laity. Such circular or other labeling may also bear a statement that a brochure or other printed matter containing information for other veterinary uses of such drug by a veterinarian licensed by law to administer it will be sent to such veterinarian on request.
- (d) Requests for certification, samples. (1) In addition to complying with the requirements of § 146.2 of this chapter, a person who requests certification of a batch shall submit with his request a statement showing the batch mark and (unless they were previously sub-

mitted) the dates on which the latest assays of the streptomycin or dihydrostreptomycin, polymyxin B, and neomycin used in making such batch were completed; the quantity of each such ingredient used in making the batch, the date on which the latest assay of the drug comprising such batch was completed, and a statement that each ingredient used in making the batch conforms to the requirements prescribed therefor by this section.

(2) Except as otherwise provided by subparagraph (4) of this paragraph, such person shall submit in connection with his request results of the tests and assays listed after each of the following made by him on an accurately representative sample of:

(i) The batch: Potency and moisture. (ii) The streptomycin or dihydrostreptomycin used in making the batch. Potency, toxicity pH, streptomycin content if it is dihydrostreptomycin, and crystallinity if it is crystalline dihydrostreptomycin sulfate.

(iii) The polymyxin B used in making the batch: Potency and toxicity

- (iv) The neomycin used in making the batch. Potency, toxicity moisture, and
- (3) Except as otherwise provided by subparagraph (4) of this paragraph, such person shall submit in connection with his request, in the quantities heremafter indicated, accurately representative samples of the following:
- (i) The batch: 1 immediate container for each 5,000 immediate containers in the batch, but in no case less than 7 immediate containers or more than 12 immediate containers, collected by taking single immediate containers at such intervals throughout the entire time of packaging the batch that the quantities packaged during the intervals are approximately equal.
- (ii) The streptomycin or dihydrostreptomycin used in making the batch: 5 packages containing approximately equal portions of not less than 0.5 gram each, packaged in accordance with the requirements of § 146b.101 (b)

(iii) The polymyxin B used in making the batch: 5 packages containing approximately equal portions of not less

than 0.5 gram each.

(iv) The neomycin used in making the batch: 5 packages containing approximately equal portions of not less than 0.5 gram each.

(v) In case of an initial request for certification, the ingredients used in making the batch: 1 package of each ointment-base ingredient, containing approximately 200 grams; 1 package of each suspending or dispersing agent used, containing approximately 5 grams: 1 package of each sulfonamide used, containing approximately 5 grams.

(4) The results referred to in subparagraph (2) (ii) (iii) and (iv) of this paragraph and the samples referred to in subparagraph (3) (ii) (iii) and (iv) of this paragraph are not required if such results or samples have been previ-

ously submitted.

(e) Fees. The fee for the services rendered with respect to each batch under the regulations in this part shall be:

(1) \$4.00 for each package in the samples submitted in accordance with paragraph (d) (3) (i) (ii) (iii), (iv), and (v) of this section.

(2) If the Commissioner considers that investigations other than examination of such packages are necessary to determine whether or not such batch complies with the requirements of § 146.3 of this chapter for the issuance of a certificate, the cost of such investigation.

The fee prescribed by subparagraph (1) of this paragraph shall accompany the request for certification unless such fee is covered by an advance deposit maintained in accordance with § 146.8 (d) of this chapter.

- 4. Section 146c.204 is amended in the following respects:
- a. The section headnote and paragraph (a) are changed to read as fol-

§ 146c.204 Chlortetracycline capsules (chlortetracycline hydrochloride capsules) tetracycline hydrochloride capsules; tetracycline capsules—(a) Standards of identity, strength, quality, and purity. Chlortetracycline capsules, tetracycline hydrochloride capsules, and tetracycline capsules are capsules composed of crystalline chlortetracycline, tetracycline hydrochloride, or tetracycline, with or without one or more suitable sulfonamides and with or without one or more suitable and harmless vitamin substances, buffer substances, vegetable oils, preservatives, diluents, binders, lubricants, colorings, and flavorings, enclosed in a gelatin capsule. Each capsule shall contain not less than 50 milligrams of chlortetracycyine, tetracycline hydrochloride, or tetracycline, unless it is intended solely for veterinary use and is conspicuously so labeled. Its moisture content is not more than 2 percent if it contains chlortetracycline and not more than 3 percent if it contains tetracycline hydrochloride or tetracycline. The chlortetracycline used conforms to the requirements of § 146c.201 (a) except § 146c.201 (a) (2), (4) and (5) The tetracycline hydrochloride used conforms to the requirements of § 146c.218 (a) except § 146c.201 (a) (2) (4) and (5) The tetracycline used conforms to the requirements of § 146c.220 (a) Each other substance used, if its name is recognized in the U. S. P or N. F., conforms to the standards prescribed therefor by such official compendium.

- b. Paragraph (c) (1) (iv) is changed to read.
 - (c) Labeling, * * *
 - (1) * * *
- (iv) The statement "Expiration date _," the blank being filled in with the date that is 48 months after the month during which the batch was certified if it is chlortetracycline hydrochloride, or with the date that is 24 months after the month during which the batch was certified if it is tetracycline hydrochloride or tetracycline or if it contains one or more vitamin substances: Provided, however That such expiration date may be omitted from the immediate container if such immediate

container is packaged in an individual wrapper or container.

- c. Paragraph (c) (3) is amended by inserting the words "or tetracycline hydrochloride capsules" after the words "chlortetracycline capsules"
- d. Paragraph (d) Request for certification, samples, subparagraph (1) is amended by changing the words "the chlortetracycline or tetracycline used" to read: "the chlortetracycline, tetracycline hydrochloride, or tetracycline used"
- e. Paragraph (d) (2) (ii) is changed to read:
- (ii) The chlortetracycline, tetracyline hydrochloride, or tetracycline used in making the batch; potency, toxicity, moisture, pH, crystallinity and extinction coefficient if it is chlortetracycline hydrochloride or tetracycline.
- f. Paragraph (d) (3) (ii) is amended by inserting after the word "chlortetracycline" a comma and the words "tetracycline hydrochloride."

(Sec. 701, 52 Stat. 1055; 21 U. S. C. 371)

Notice and public procedure are not necessary prerequisites to the promulgation of this order, and I so find, since it was drawn in collaboration with interested members of the affected industry and since it would be against public interest to delay providing for the aforesaid amendments.

This order shall become effective upon publication in the Federal Register, since both the public and the affected industry will benefit by the earliest effective date, and I so find.

Dated: February 7, 1955.

[SEAL]

OVETA CULP HOBBY, Secretary.

[F R. Doc. 55-1229; Filed, Feb. 10, 1955; 8:52 a. m.]

TITLE 43—PUBLIC LANDS: INTERIOR

Chapter I—Bureau of Land Manage= ment, Department of the Interior

[Circ. 1900]

PART 200-MINERAL DEPOSITS IN ACQUIRED LANDS AND UNDER RIGHTS-OF-WAY

FILING OF APPLICATIONS FOR MINERAL PER-MITS OR LEASES

Section 200.34 is hereby amended to read as follows:

§ 200.34 Filing of applications for mineral permits or leases. On and after February 3, 1955 applications for permits or leases shall be filed in the proper land office as set forth in § 200.8 (b) by any citizen of the United States or corporation organized and existing under the laws of the United States or any State thereof, or Territory thereof.

(Sec. 10, 61 Stat. 915; 30 U.S. C. 359)

Douglas McKay, Secretary of the Interior

FEBRUARY 3, 1955.

[F. R. Doc. 55-1206; Filed, Feb. 10, 1956; 8:46 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service [7 CFR Part 913]

[Docket No. AO 23 A14]

HANDLING OF MILK IN GREATER KANSAS
CITY MARKETING AREA

NOTICE OF HEARING ON PROPOSED AMEND-MENTS TO TENTATIVE MARKETING AGREE-MENT AND TO ORDER, AS AMENDED

Pursuant to the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S. C. 601 et seq.) and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900) notice is hereby given of a public hearing to be held at the President Hotel, Room 221, 14th and Baltimore Streets, Kansas City Missouri, beginning at 10:00 a.m., c. s. t., February 15, 1955, for the purpose of receiving evidence with respect to the proposed amendments hereinafter set forth, or appropriate modifications thereof, to the tentative marketing agreement heretofore approved by the Secretary of Agriculture and to the order, as amended, regulating the handling of milk in the Greater Kansas City marketing area. These proposed amendments have not received the approval of the Secretary of Agriculture.

Amendments to the order, as amended, for the Greater Kansas City marketing area have been proposed as follows:

By the Pure Milk Producers Association of Greater Kansas City Inc..

- 1. Delete subparagraphs (1), (2) and (3) under paragraph (a) of § 913.51 and substitute therefor the following:
- (1) For the second and third months preceding the month to which the price applies determine the total pounds of Class I milk (less interhandler transfers) for all handlers exclusive of producerhandlers:
- (2) For the same months determine the total pounds of milk received from producers by pool plants;
- (3) Divide the result obtained in subparagraph (2) of this paragraph by the result obtained in subparagraph (1) of this paragraph to obtain a "net utilization percentage" rounded to the nearest whole percent;
- (4) For each percentage point that the "net utilization percentage" is less than the minimum percentage listed below for such two-month period the Class I price shall be increased 3 cents in April, May June, and July, and all other months 4 cents; for each percentage point that the "net utilization percentage" is more than the maximum percentage listed below for such two-month period the Class I price shall be decreased. 4 cents in April, May, June and July and all other months 3 cents: Provided. That in no event shall an adjustment made pursuant to this subparagraph exceed 45 cents per hundredweight.

PERCENTAGE

Mini- mum	Maxi- mum	Month to which ad- justment applies
123 130 130 126 128 135 151 161 142 126 117	133 140 140 136 138 145 161 171 152 136 127 125	January. February. March. April. May. June. July. August. Soptember. October. November. December.
	123 130 130 126 128 135 151 161 142 126 117	123 133 130 140 130 140 128 138 128 136 125 145 151 161 161 171 142 152 126 136 117 127

- 2. Amend § 913.32 by adding the following:
- (c) Reports to cooperative associations. Each handler who receives milk during the month from producers for which payment is to be made to a cooperative association pursuant to § 913.80 (c) shall report to such cooperative association for each such producer on forms approved by the Market Administrator as follows: (1) On or before the 18th day of the month the total pounds of milk received during the first 15 days of such month from each member producer (2) on or before the 5th day of the following month: (i) The pounds of milk received each day and the total for the month, together with the butterfat content of such milk, (ii) the number of days on which milk was received from such producers including for each of the delivery periods of February through July such producers' deliveries of quota milk and excess milk, (iii) the amount or rate and nature of deductions, and (iv) with regard to producers the amount and nature of payments due pursuant to § 913.87.
 - 3. Amend § 913.80 as follows:
- (a) Delete the period at the end of paragraph (b) and substitute a comma and add: "but not to be less than the Class II price for the previous month: Provided, That such producer did not discontinue shipping milk to such handler before the 18th day of the month."
- b. Delete paragraph (c) and substitute the following:
- (c) In the case of a cooperative association qualified pursuant to § 913.88 (b) which has so requested any handler in writing, such handler shall make payment to the cooperative association for milk received during the month from the producer members of such association as follows:
- (1) On or before the 18th day of the month an amount equal to not less than the Class II price for the preceding month multiplied by the hundredweight of milk received during the first 15 days of the month from producer members who did not discontinue delivering milk to such handler before the 18th day of the month, less proper deductions authorized in writing by such cooperative association to be made from payments due pursuant to this subparagraph:
- (2) On or before the 12th day of the following month, an amount equal to not

less than the applicable prices adjusted by the butterfat and location differentials to producers multiplied by the hundredweight of milk received from such producer members during the month, subject to the following adjustments: (i) Less payments made such cooperative association pursuant to subparagraph (1) of this paragraph, (ii) plus or minus adjustments for errors made in previous payments to such cooperative association, and (iii) less proper deductions authorized in writing by such cooperative association: Provided, That if by such date such handler has not received full payment pursuant to § 913.85 from the market administrator for such month, he may reduce pro rata his payments to the cooperative association by not more than the amount of such underpayment. Payments to the cooperative association shall be completed thereafter not later than the date for making payments pursuant to this paragraph next following after the receipt of the balance due from the market administrator.

c. Delete that part of subparagraph (6) of paragraph (d) which reads as follows: "For each producer for whom payment is to be made to a cooperative association as provided in paragraph (c) of this section, each handler shall furnish the above information to the cooperative association on or before the 8th day after the end of the delivery period."

By the Kansas City Milk Distributors Association:

- 4. Delete § 913.11 and substitute the following:
- § 913.11 Handler "Handler" means
 (a) the operator of an approved plant
 (whether or not such approved plant is
 a pool plant), in his capacity as such, or
 (b) any cooperative association with
 respect to the milk of any producer
 which such cooperative association
 causes to be diverted from a pool plant
 to another milk plant for the account
 of such cooperative association and for
 which it receives not less than the applicable class prices pursuant to § 913.51
 through § 913.52.
- 5. Delete § 913.51 (a) (2) and (3) and substitute therefor the following:
- (2) Divide the total receipts of producer milk for the twelve delivery periods immediately preceding by the total gross volume of Class I milk (less interhandler transfers) for the same delivery periods, multiply the result by 100, and round to the nearest whole number. The result shall be known as the ratio of producer receipts to Class I sales.
- (3) For each plus percentage point in excess of 128 in such ratio the Class I price shall be decreased 4 cents, and for each percentage point below 122 in such ratio the Class I price shall be increased 4 cents.
- 6. Delete § 913.51 (c) and substitute therefor the following:
- (c) Class II milk. The price per hundredweight shall be the average price

reported by the U. S. Department of Agriculture for the current month for milk for manufacturing purposes, f. o. b. plant, United States, adjusted to a 3.8 percent butterfat basis by direct ratio.

By Chapman Dairy Company.

7. Amend paragraph (b) of § 913.52 to provide that the butterfat differential for Class II milk to apply for all months of the year shall be determined by multiplying by 1.15 the average daily wholesale price per pound of 92-score butter in the Chicago market, as reported by the Department of Agriculture during the delivery period, and dividing the result by 10.

By the Dairy Division, Agricultural Marketing Service:

8. Make such changes as may be required to make the entire order, as amended, conform with any amendments thereto that may result from this hearing.

Copies of this notice of hearing and of the order, as amended, now in effect, may be procured from the Market Administrator, 3808 Broadway, 2d Floor, Kansas City 2, Missouri, or from the Hearing Clerk, Room 112-A, Administration Building, United States Department of Agriculture, Washington 25, D. C., or may be there inspected.

Dated: February 9, 1955, at Washington, D. C.

[SEAL]

ROY W LENNARTSON, Deputy Administrator

[F. R. Doc. 55-1241; Filed, Feb. 10, 1\55; 8:55 a. m.]

[7 CFR Part 956]

[Docket No. AO-235-A1]

HANDLING OF MILK IN SIOUX FALLS-MITCHELL, SOUTH DAKOTA, MARKETING AREA

DECISION WITH RESPECT TO PROPOSED AMENDMENTS TO TENTATIVE MARKETING AGREEMENT AND TO ORDER

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S. C. 601 et seq.) and the applicable rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and orders (7 CFR Part 900) a public hearing was conducted at Huron, South Dakota, on July 7-9, 1954 Huron, South Dakota, on July 7-9, 1954 pursuant to notice thereof which was issued on June 16, 1954 (19 F R. 3761)

Upon the basis of the evidence introduced at such hearing and the record thereof, the Deputy Administrator, Agricultural Marketing Service, on January 5, 1955, filed with the Hearing Clerk, United States Department of Agriculture, his recommended decision and opportunity to file written exceptions thereto which was published in the Federal Register on January 8, 1955 (20 F R. 204)

The material issues of record related to:

- 1. An extension of the marketing area.
 - 2. The level of the Class I milk price; No. 30—2

- 3. The level of the Class II and Class II-A milk prices:
- 4. A revision of standards which a plant must meet in order to be qualified as an approved plant;
- 5. Providing for an individual-handler pool for distribution of proceeds to producers;
- 6. A change in the conditions under which milk may be transferred from an approved to an unapproved plant for Class II use;
- 7. Provisions applicable to the procedure for determining plant shrinkage; and
- 8. The application of compensatory payments on Class I milk disposed of in the marketing area by handlers regulated under another order issued pursuant to the act.

The only exceptions filed were on behalf of producers at Luverne, Pipestone and Worthington, Minnesota, who had proposed the extension of the marketing area to include these communities. In arriving at the findings, conclusions, and regulatory provisions of this decision, such exceptions were carefully and fully considered in conjunction with the record evidence pertaining thereto. To the extent that the findings, conclusions, and actions decided upon herein are at variance with the exceptions, such exceptions are overruled.

Findings and conclusions. The findings (including general findings) and conclusions of the recommended decision set forth in the FEDERAL REGISTER (20 F R. 204) are hereby approved and adopted as the findings and conclusions of this decision as if set forth in full herein subject to the correction of obvious typographical errors or omissions.

Determination of representative period. The month of September 1954 is hereby determined to be the representative period for the purpose of ascertaining whether the issuance of an order amending the order regulating the handling of milk in the Sioux Falls-Mitchell, South Dakota, marketing area in the manner set forth in the attached amending order is approved or favored by producers who during such period were engaged in the production of milk for sale in the marketing area specified in such order.

Marketing agreement and order nexed hereto and made a part hereof are two documents entitled respectively "Marketing Agreement Regulating the Handling of Milk in the Sioux Falls-Mitchell, South Dakota, Marketing Area" and "Order Amending the Order Regulating the Handling of Milk in the Sioux Falls-Mitchell, South Dakota, Marketing Area" which have been decided upon as the detailed and appropriate means of effectuating the foregoing conclusions. These documents shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedures, as amended, governing proceedings to formulate marketing agreements and orders have been met

It is hereby ordered, That all of this decision, except the attached marketing agreement, be published in the Federal Register. The regulatory provisions of

said marketing agreement are identical with those contained in the attached order which will be published with this decision.

This decision filed at Washington, D. C., this 8th day of February 1955.

[SEAL] EARL L. BUTZ,

Assistant Secretary.

Order 1 Amending the Order Regulating the Handling of Milk in the Sioux Falls-Mitchell, South Dakota, Marketing Area

§ 956.0 Findings and determinations. The findings and determinations hereinafter set forth are supplementary to and in addition to the findings and determinations made in connection with the issuance of this order, and said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) Findings upon the basis of the hearing record. Pursuant to Public Act No. 10, 73d Congress (May 12, 1933) as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (hereinafter referred to as the "act") and the rules of practice and procedure governing the formulation of marketing agreements and orders (7 CFR Supp., 900.1 et seq.) a public hearing was held at Huron, South Dakota, on July 7-9, 1954, upon proposed amendments to the tentative marketing agreement and to the order regulating the handling of milk in the Sioux Falls-Mitchell, South Dakota, marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof it is hereby found that:

(1) The said order as hereby amended, and all of the terms and conditions hereof, will tend to effectuate the declared policy of the act;

(2) The parity prices for milk as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the marketing area, and the minimum prices specified in the order as hereby amended are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk and be in the public interest; and

(3) The said order as hereby amended regulates the handling of milk in the same manner as, and is applicable only to persons in the respective classes of industrial and commercial activity specified in a marketing agreement upon which a hearing has been held.

Order relative to handling. It is therefore ordered that on and after the effective date hereof the handling of milk in the Sioux Falls-Mitchell, South Dakota, marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid

¹This order shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure governing proceedings to formulate marketing agreements and orders have been met.

order as hereby amended and the aforesaid order is hereby amended as follows:

- 1. Add as § 956.15 the following:
- § 956.15 Chicago butter price. "Chicago butter price" means the simple average as computed by the market administrator of the daily wholesale selling prices (using the midpoint of any range as one price) per pound of 92-score bulk creamery butter at Chicago as reported during the month by the Department.
- 2. Delete § 956.22 (i) (1) and substitute therefor the following:
- (1) On or before the 5th day of each delivery period the Class I price and the Class I butterfat differential, both for the current delivery period, and the Class II price and the Class II butterfat differential, both for the preceding delivery period; and
- .3. Delete § 956.41 (b) and (c) and substitute therefor the following:
- (b) Class II milk. Class II milk shall be (1) all skim milk and butterfat (i) used to produce any milk product not specified in paragraph (a) of this section, (ii) in shrinkage not in excess of two percent of the total receipts of skim milk and butterfat in producer milk, other than that received from other handlers, (iii) in shrinkage in other source milk, and (iv) in inventory variation. and (2) all skim milk which is dumped or disposed of as livestock feed: Provided. That in the case of skim milk which is dumped the handler shall notify the market administrator in advarree of his intention to dump such skım milk.
- 4. Delete § 956.43 and substitute therefor the following:
- § 956.43 Transfers. Skim milk or butterfat disposed of from an approved plant shall be classified:
- (a) As Class I milk if transferred in the form of products designated as Class I milk in § 956.41 (a) to an approved plant of another handler, except a producer-handler, unless utilization as Class II milk is claimed by both handlers in the reports submitted by them to the market administrator pursuant to § 956.30: Provided, That the skim milk or butterfat so assigned to Class II milk shall be limited to the amount thereof remaining in Class II milk in the plant of the transferee-handler after the subtraction of other source milk pursuant to § 956.46, and any additional amounts of such skim milk or butterfat shall be assigned to Class I milk: And provided further That if either or both handlers have received other source milk, the skim milk or butterfat so transferred shall be classified at both plants so as to allocate the greatest possible Class I milk utilization to the producer milk of both handlers.
- (b) As Class I milk if transferred to a producer-handler in the form of products designated as Class I milk in § 956.41 (a)
- (c) As Class I milk if transferred or diverted in bulk form as milk or skim milk to an unapproved plant located in the marketing area or not more than 100 miles by the shortest highway distance

- as determined by the market administrator from the nearest point in the marketing area unless:
- (1) The handler claims Class II on the basis of utilization mutually indicated in writing to the market administrator by both buyer and seller on or before the 6th day after the end of the month within which such transaction occurred;
- (2) The buyer maintains books and records showing the utilization of all skim milk and butterfat at his plant which are made available if requested by the market' administrator for the purpose of verification, and
- (3) Not less than an equivalent amount of skim milk and butterfat was actually used as Class II milk in such buyer's plant.
- (d) As Class I milk if transferred in bulk form as cream to an unapproved plant unless:
- (1) Such cream is transferred without Grade A certification of any health authority.
- (2) The handler claims Class II in his report submitted to the market administrator pursuant to § 956.30 on or before the 6th day after the end of the month within which such transaction occurred;
- (3) The buyer maintains books and records showing the utilization of all skim milk and butterfat at his plant which are made available if requested by the market administrator for the purpose of verification, and
- (4) Not less than an equivalent amount of skim milk and butterfat was actually used as Class II milk in such buyer's plant.
- 5. Delete § 956.46 and substitute therefor the following:
- § 956.46 Allocation of skim milk and butterfat classified. After computing the classification of all skim milk and butterfat received by a handler pursuant to § 956.45, the market administrator shall determine the classification of milk received from producers as follows:
- (a) Skim milk shall be allocated in the following manner:
- (1) Subtract from the total pounds of skim milk in Class II milk the pounds of skim milk determined pursuant to § 956.41 (b) (1) (ii)
- (2) Subtract from the remaining pounds of skim milk in each class the pounds of skim milk received from approved plants of other handlers in a form other than milk, skim milk, or cream, according to its classification pursuant to § 956.41.
- (3) Subtract from the pounds of skim milk remaining in Class II milk the remaining pounds of skim milk in other source milk which was not subject to the Class I pricing provisions of an order issued pursuant to the act: Provided, That if the pounds of skim milk to be subtracted is greater than the remaining pounds of skim milk in Class II milk, the balance shall be subtracted from the pounds of skim milk in Class I milk;
- (4) Subtract from the pounds of skim milk remaining in Class II milk the pounds of skim milk in other source milk which was subject to the Class I pricing provisions of another order issued pursuant to the act: *Provided*, That if the

- pounds of skim milk to be subtracted is greater than the remaining pounds of skim milk in Class II milk, the balance shall be subtracted from the pounds of skim milk in Class I milk;
- (5) Subtract from the pounds of skim milk remaining in each class the skim milk received in milk, skim milk or cream from approved plants of other handlers according to its classification pursuant to § 956.43 (a)
- (6) Add to the pounds of skim milk remaining in Class II milk the pounds of skim milk subtracted pursuant to subparagraph (1) of this paragraph,
- (7) Subtract pro rata from the remaining pounds of skim milk in each class the pounds of skim milk contained in such handler's own production; and
- (8) If the pounds of skim milk remaining in both classes exceed the pounds of skim milk received in milk from producers, subtract such excess from the remaining pounds of skim milk in series beginning with Class II milk. Any amount so subtracted shall be known as "overage."
- (b) Butterfat shall be allocated in accordance with the same procedure outlined for skim milk in paragraph (a) of this section.
- (c) Add the pounds of skim milk and the pounds of butterfat allocated to producer milk in each class, respectively as computed pursuant to paragraphs (a) and (b) of this section and determine the weighted average butterfat content of the milk in each class.
- 6. Delete § 956.50 and substitute therefor the following:
- § 956.50 Class prices. Subject to the provisions of § 956.51 the class prices per hundredweight shall be as follows:
- (a) Class I milk price. The Class I milk price shall be the price computed pursuant to paragraph (b) of this section for the preceding month plus \$1.40.
- (b) Class II milk price. The Class II milk price shall be the price obtained by adding the amounts computed pursuant to subparagraphs (1) and (2) of this paragraph and rounding to the nearest cent.
- (1) Multiply the Chicago butter price by 1.25, subtract 8 cents, and multiply by 3.5.
- (2) For each full one-half cent that the price of nonfat dry milk solids is above 7 cents per pound multiply by 3 cents and add 17 cents thereto. The price per pound of nonfat dry milk solids to be used shall be the simple average of carlot prices for nonfat dry milk solids for human consumption, both spray and roller process, delivered at Chicago as reported by the Department of Agriculture during the delivery period. In the event the Department does not publish carlot prices for nonfat dry milk solids for human consumption delivered at Chicago, there shall be used the weighted average of carlot prices per pound for nonfat dry milk solids, spray and roller process, for human consumption, f. o. b. manufacturing plants in the Chicago area as published for the period from the 26th day of the immediately preceding month through the 25th day of the current month, and 3 cents shall be added for each full one-half cent that

the latter price is above 6 cents per pound.

- 7. Renumber § 956.51 and each reference to it contained in the order to "§ 956.52" and add a new § 956.51 to read as follows:
- § 956.51 Butterfat differentials to handlers. If the weighted average butterfat content of the milk received from producers classified, respectively in Class I milk or Class II milk for a handler is more or less than 3.5 percent, there shall be added to, or subtracted from, the respective class price computed pursuant to § 956.50 for each one-tenth of 1 percent that such weighted average butterfat content is above or below 3.5 percent, a butterfat differential computed as follows:
- (a) Class I milk. Add 2.8 cents to the butterfat differential computed pursuant to paragraph (b) of this section for the preceding month.
- (b) Class II milk. Multiply the Chicago butter price for the current month by 0.125, subtract 0.8 cent and round to the nearest one-tenth cent.
- 8. Amend the order by adding two new sections under the heading "Application of Provisions" to read as follows:

APPLICATION OF PROVISIONS

§ 956.55 Handlers operating unapproved plants. None of the provisions from §§ 956.43 through 956.51, inclusive, or from §§ 956.60 through 956.70, inclusive, shall apply in the case of a handler in his capacity as the operator of an unapproved plant, except that such handler shall, on or before the 15th day after the end of each month, pay to the market administrator for deposit into the producer-settlement fund an amount calculated by multiplying the total hundredweight of butterfat and skim milk disposed of as Grade A Class I milk from such plant to retail or wholesale outlets (including plant stores) in the marketing area during the month, by the price arrived at by subtracting from the Class I price adjusted by the Class I butterfat differential the Class II price adjusted by the Class II butterfat differential.

§ 956.56 Plants subject to other Federal orders. In the case of any plant which the Secretary determines disposes of a greater portion of its milk as Class I milk on retail or wholesale routes (including plant stores) in another marketing area regulated by another order issued pursuant to the act than is disposed of as Class I milk on retail or wholesale routes (including plant stores) in the Sioux Falls-Mitchell marketing area, the provisions of this order shall not apply except as follows: The operator of such plant shall, with respect to the total receipts and utilization of skim milk and butterfat at the plant, make reports to the market administrator at such time and in such manner as the market administrator may require (in lieu of the reports required pursuant to § 956.30) and allow verification of such reports by the market administrator.

9. Delete § 956.60 and substitute therefor the following:

§ 956.60 Computation of the value of milk for each handler For each month the market administrator shall compute the value of milk for each handler as follows:

(a) Multiply the quantity of milk in each class computed pursuant to § 956.46 (c) by the applicable class price, and add together the resulting amounts;

(b) Add the amounts computed by multiplying the pounds of overage deducted from each class pursuant to \$956.46 (a) (8) and (b) by the applicable class prices; and

- (c) During the months of February through July add an amount computed as follows: Multiply the hundredweight of skim milk and butterfat subtracted from Class I milk pursuant to § 956.46 (a) (3) and (b) by the price arrived at by subtracting the Class II price adjusted by the Class I butterfat differential from the Class I price adjusted by the Class I butterfat differential.
- 10. In § 956.68 delete the phrase "payments made by handlers pursuant to §§ 956.69 and 956.71" and substitute therefor "payments made by handlers pursuant to §§ 956.55, 956.69 and 956.71."
- 11. Delete § 956.69 and substitute therefor the following:

§ 956.69 Payments to the producer-settlement fund. On or before the 10th day after the end of each delivery period each handler who operates an approved plant shall pay to the market administrator for payment to producers through the producer-settlement fund the amount, if any by which the total value computed for him pursuant to § 956.60 for such delivery period is greater than the sum required to be paid by such handler pursuant to § 956.65.

[F R. Doc. 55-1218; Filed, Feb. 10, 1955; 8:50 a. m.]

[7 CFR Part 966]

[Docket No. AO-257]

HANDLING OF MILK IN SHREVEPORT, LA., MARKETING AREA

DECISION WITH RESPECT TO PROPOSED MAR-KETING AGREEMENT AND PROPOSED ORDER

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.) and the applicable rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and marketing orders (7 CFR Part 900) a public hearing was conducted at Shreveport, Louisiana, on July 7-9, 1954, pursuant to notice thereof which was issued on June 19, 1954 (19 F R. 3778)

Upon the basis of the evidence introduced at the hearing and the record thereof the Deputy Administrator, Agricultural Marketing Service, on December 23, 1954, filed with the Hearing Clerk, United States Department of Agriculture, his recommended decision. This decision and notice of opportunity to file written exceptions thereto was published in the Federal Recister on December 30, 1954 (19 F R. 9337)

The material issues of record related

- 1. Whether the handling of milk produced for the marketing area is in the current of interstate commerce or directly burdens, obstructs or affects interstate commerce in milk or its products:
- 2. Whether marketing conditions justify the issuance of a milk marketing agreement or order.
- 3. If an order is issued what its provisions should be with respect to:
 - a. The scope of regulation.
- b. The classification and allocation of milk:
- c. The determination and level of class prices;
- d. Distribution of proceeds to producers; and

e. Administrative provisions.

Findings and conclusions. Upon the basis of the evidence adduced at the hearing and the record thereof, it is hereby found and concluded that:

1. Character of commerce. All milk and milk products handled by handlers, as defined in this order, are in the current of interstate commerce or directly burden, obstruct or affect interstate commerce in milk or its products.

Milk produced in States other than Louisiana is regularly used to supply the fluid milk needs of consumers in the proposed Shreveport marketing area. At the time of hearing fourteen producers located in the States of Texas and Arkansas held Grade "A" permits and regularly supplied milk to handlers plants located in Shreveport, Louisiana.

Generally, local producers in the Shreveport milkshed do not produce sufficient milk for the full demands of the market during the fall and winter periods. During the period 1951 through 1953, Class I sales of milk in the Shreveport area exceeded receipts from producers during 24 of the 36 months involved.

For a number of years large quantities of milk have been imported in bulk from other States to meet local demand. During the period of September 1953 through February 1954, over 3 million pounds of raw milk from the States of Texas, Mississippi and Missouri were imported by one of the major local distributors. Another distributor imported more than a million pounds during the same period.

Milk produced on farms and bottled at plants located in Arkansas is sold in the northern portion of the proposed marketing area in competition with milk sold by distributors located in Shreveport. A plant located in Arkansas furnishes milk bottled in half gallon containers to supply the wholesale and retail requirements of one of the Shreveport plants for this type of unit.

Health regulations permit the use of nonfat solids produced from "Grade A" milk in the manufacture of buttermilk, flavored milk drinks and fluid skim milk. Such usage is most frequent during the fall and winter months when production of milk from local producers is at a seasonal low. Such nonfat solids are imported from outside the State of Louisiana, recombined in handlers' plants and disposed of through their re-

tail and wholesale channels along with Grade A milk.

2. Need for an order Marketing conditions in the Shreveport, Louisiana, marketing area justify the issuance of a marketing agreement and order.

The problems of unstable marketing conditions encountered by producers in the Shreveport area are not uncommon in fluid milk markets. The problems which have resulted in unrest and instability in this area over a number of years are similar to those characteristic of fluid milk markets in the absence of regulation or effective collective bargaining relationships between handlers and organized producers and the application of a well defined classified pricing plan.

A perishable product such as milk must be delivered regularly to the market as it is produced. Storage of milk at the farm to await disposition at favorable prices is not possible. To produce milk for fluid use under the health regulations applicable in the marketing area, requires a considerable investment of time and money on the part of the farmer. If the farmer does not receive sufficient returns for his efforts, he must turn to an alternate type of farming. If sufficient farmers are forced out of the field of dairying then the public is affected because an adequate supply of milk will not be available locally.

To assure an adequate supply of milk at all times a certain quantity of reserve milk in excess of fluid milk requirements is necessary. Although consumption of fluid milk remains relatively stable, week-end variations in sales and fluctuations in production, as affected by the season of the year or weather necessitates the utilization of some "Grade A" milk produced for the fluid market into manufactured products. These products must be sold in competition with products manufactured from ungraded milk. Accordingly, the milk used to produce manufactured products returns less value to the dairy farmer than that marketed for fluid use. Unless a uniformly applied plan of use classification is employed and milk is properly priced in such use, excess milk will tend to depress the market price for Grade A milk.

To assure orderly marketing practices, milk produced for fluid consumption necessitates dependable methods for determining the prices to be paid for milk in accordance with its end utilization. Such practices require uniformity in pricing among handlers and a means whereby the lower returns resulting from the presence of reserve milk in the market are placed equitably among producers of such milk.

Producers and handlers in the Shreveport market have not been able to develop satisfactory bargaining relationships.
Producers have no voice in the determination of the prices to be paid for their
milk. Handlers usually have announced
the price to be paid for the milk received
at their plants during a delivery period.
On several occasions, however, handlers
have paid a price less than the announced price without prior consultation
with producers.

Prior to 1950. Shreveport handlers paid farmers on the basis of a base and surplus plan. Under this plan, producers received payment for their milk on the basis of their average daily deliveries made during the base-forming period and not on the basis of actual utilization of the milk at the handler's plant. It is alleged that a considerable volume of milk paid for at the surplus price was disposed of as bottled milk for fluid consumption. Late in 1950, legislation became effective in the State to prohibit handlers from selling milk in a higher class than that in which it was procured. This regulation provided a use classification plan. The record indicates that this regulation has been very beneficial to dairy farmers as well as to milk plant operators. No provision is made, however, for the establishment of the prices which are to be paid for each class of milk. Prices paid to producers throughout the marketing area are generally at the option of the handler. Between 1950 and 1953 several attempts were made by producers and handlers to determine the price to be paid for the various classes of milk. In 1953 at the request of producers and handlers, dairy marketing specialists and State officials prepared several formulas or suggested price plans which might be used in the determination of Class I prices for farmers in the Shreveport area. It was stated that these negotiations were extremely difficult because of the mability to get the major handlers together at the same time. At the time that these negotiations were in process the price for Class I milk to farmers was reduced 75 cents per hundredweight without prior notice as had been agreed upon.

Further difficulty was encountered by producers, as a result of effort by handlers and their representatives to discourage producers, in the development of an effective organization. Handlers have refused to make deductions for association dues from payments due their producers even though such deductions have been properly authorized by the producers. Failure to make such deduction has limited the cooperative in instituting a marketing service program.

Producers need reasonable assurance that their returns for milk will reflect general economic conditions and be in accord with local supply and demand conditions. A uniform method of establishing class prices for milk in accordance with its use would give farmers this assurance so that they could then plan production on a long-range basis and be in a position to more adequately supply the milk requirements of the market. It is concluded that the issuance of a marketing agreement and order to the Shreveport, Louisiana, marketing area would contribute to the improvement of many of the conditions complained of and would tend to effectuate the declared policy of the Agricultural Marketing Agreement Act.

3. Order provisions, scope of regulation—Marketing area. The marketing area should include all of the territory within the Parishes of Caddo, Bossier, De Soto, Red River and Webster and the Cities of Homer and Haynesville in

Claiborne Parish, all in the State of Louisiana.

This territory constitutes the major sales area served by Shreveport and other local fluid milk distributors. It includes the most densely populated centers in the northwestern section of the State. This area, insofar as the distribution of fluid milk is concerned, represents a comparatively, independent trade area. It includes the sales area which receives its supply of milk from dairy farmers clocated in a more or less defined area devoted almost exclusively to the production of milk for the proposed area.

It is not administratively feasible or necessary to include within the marketing area all of the territory in which handlers may be distributing any portion of their sales of milk or milk products. It would be impossible to establish a marketing area in which there is no overlapping of sales areas. It is impractical, therefore, to extend the boundaries of a marketing area to include the entire area in which regulated handlers distribute milk or compete for sales with unregulated handlers.

The association proposed the inclusion. within the marketing area, of the military installation at Camp Polk located near Leesville and the City of Leesville in Vernon Parish. Camp Polk which had approximately 20,000 personnel was deactivated as a military installation in the spring of 1954. Although it was abandoned as a regular training base, it is reported that it would be used during certain summer months as a training center. The record does not show the specific months during which the camp would be activated nor the number of personnel who would occupy the camp. Accordingly, it would not be appropriate to include within the area of regulation, a military installation which would be active for a two, three or four month period of the year. The population of the City of Leesville is directly dependent on the population of Camp Polk. Inasmuch as the camp has been deactivated the population has been reduced accordingly. Furthermore, the distribution of milk in this area by handlers who would be regulated under this order, is relatively small in comparison with their overall fluid milk operation.

The fringes outside of the proposed marketing area are supplied by handlers from Alexandria, Lake Charles and Monroe, Louisiana as well as by Shreveport handlers. To include all of the areas as proposed by the association and several handlers would regulate additional handlers from these areas whose distribution of milk in the marketing area is relatively small in comparison to the volume of Class I business done in areas other than that proposed herein.

Sanitary regulations and public health requirements are the same in the entire area as recommended herein. The State of Louisiana adopted the U. S. Public Health Code as the standard for sanitary requirements for fluid milk marketed in the State. Each parish recognizes permits issued by another parish and reciprocates on farm or plant inspections throughout the State.

Handlers located in the smaller towns in the proposed area and Shreveport handlers compete for Class I sales. The Cities of Homer and Haynesville in the role of secondary markets depend on Shreveport handlers for over 50 percent of their Class I milk requirements. The smaller handlers in these cities serve a relatively small segment of consumers within the area while the larger handlers distribute to the customers in the entire area. It has been a customary practice for handlers in Homer, Haynesville and Minden to dispose of their surplus milk to Shreveport handlers who in turn may use it for Class I utilization or for manufactured milk products.

Regulation should not be extended to the Parishes of Claiborne, Bienville, Natchitoches, Sabine and Vernon or to to the City of DeRidder in Beauregard Parish since they cannot be considered as being primarily associated with the proposed area. Distribution of milk in these parishes and in the City of DeRidder represents a small proportion of the total milk distribution of all handlers serving the proposed area.

Historically distributors located east and south of the proposed area, have paid higher prices for milk than those handlers who are located in the area. Taking into consideration the cost of hauling milk to the edge of the area, handlers who would be regulated under the proposed order would not be at a disadvantage insofar as the cost of milk is concerned in competing for sales in the parishes adjacent to the proposed area.

Designation of plants and milk to be subject to regulation. Provisions should be made in the order to designate clearly what milk and what persons will be subject to the pricing provisions of the order. Definitions of handlers, milk plants, producers, producer milk, other source milk, and other terms and items should be provided for this purpose and to facilitate reference to them throughout the order.

The record shows that milk plants supplying the Shreveport marketing area fall into two broad categories. These are "distributing plants" which package Grade A fluid products such as milk, milk drinks and cream distributed to consumers, stores, restaurants, and government institutions and "supply plants" from which distributing, plants draw supplemental supplies. Since these two classes of plants engage in different types of operations, separate standards should be provided in order to distinguish which plants in each category will be subject to regulation.

The distributing plants which are located in the Shreveport marketing area are primarily fluid milk operations. The major portion of the milk received at such plants is distributed in fluid form to outlets located in the proposed marketing area. All plants which fall in this category should be fully regulated under the order.

There are minor quantities of milk distributed in the proposed marketing area by plants located outside the marketing area. It is concluded that it would be inappropriate to extend regulation to plants from which only minor quantities of milk are distributed in the

marketing area. Such plants are selling primarily in competition with unregulated handlers outside the marketing area. So long as the limits as to the sales such a plant may make in the marketing area are kept low, the volume of unpriced milk in the market would not, under present circumstances, present an unstabilizing factor in the market.

It is concluded that this limit should be placed at 4 percent of the "Grade A" milk received at such plant during the month from all sources, or an average of 1,500 pounds of Class I milk a day whichever is less. This provides a means for dealing with plants and small volume sales not closely associated with the market. Such sales are usually found in the fringes of a marketing area. It is not necessary to extend the pricing provisions of the order to such plants. Any plant from which a volume of Class I milk greater than these prescribed quantities is disposed of in the marketing area should be designated as a distributing plant and be fully subject to regulation.

Any plant from which Class I milk is disposed of in the marketing area but which does not meet the standards for a distributing plant should be defined as an "approved plant" and be required to file reports and submit to audit by the market administrator to verify the status of such plants.

At present there are no plants serving as receiving stations for handlers in the Shreveport marketing area. However, substantial quantities of supplemental supplies are brought in from time to time when local production is not adequate for the needs of the market. Such receipts, in most cases, are of short duration and originate from widely scattered plants. A plant which is not primarily associated with the market and which furnishes only incidental shipments of milk to the market or supplies limited quantities of milk only during the short production season need not be fully regulated. It is necessary, therefore, to provide supply plant standards in order to extend full regulation to plants closely associated with the market and exclude those plants which furnish only incidental or seasonal supplemental supplies.

These objectives will be accomplished by defining a "supply plant" as any plant which is approved to furnish "Grade A" milk and fluid milk or fluid skim milk is moved from such plant to a distributing plant (a) for any of the months of April through June, on four or more days during the month or in an amount equal to an average of 1,000 pounds or more per day and (b) for any of the months of July through March, on 10 or more days during the month or in an amount equal to an average of 8,300 pounds or more per day Receipts from plants not qualifying under these supply plant standards will be considered as other source milk.

A "fluid milk plant" should be defined to include a supply plant or a distributing plant. Full regulation will be extended to all fluid milk plants, except a fluid milk plant from which a higher proportion of the Class I sales from such plant is disposed of in a marketing area

under another Federal order. It would not be feasible to extend regulation to such other regulated plants because to do so would subject such plants to duplicate regulation under the act. Provision should be made for such plants to the market administrator as required to determine their status under the order.

The term "handler" should be defined as the operator of an approved plant. The handler is the person who receives milk from producers and is responsible for reporting receipts and utilization to the market administrator and for paying producers for their milk in accordance with the terms of the order. In case the handler operates more than one approved plant, he should be a handler with respect to the combined operations of all such plants. In the event a handler operates a plant which is not an approved plant, this definition is not intended to include such person in his capacity as the operator of such plant. The handler definition should include producer-handlers and operators of approved plants not qualifying as distributing plants for the purpose of requiring such persons to make reports to the market administrator in order that their continuing status as producerhandlers and as operators of nonfluid plants may be determined. Such reports will also contribute to more complete statistical information with respect to total receipts and disposition of milk in the marketing area.

"Producer" should be defined as any person other than a producer-handler who produces milk in compliance with recognized "Grade A" inspection requirements for milk for fluid consumption which milk is received at a fluid milk plant. Provision should be made so that the milk of producers may be diverted from a fluid milk plant to a non-fluid milk plant during the flush production season without causing such producers to lose their status as producers. Milk so diverted shall be deemed to have been received at the plant from which it was diverted.

Producers proposed that a cooperative association be considered a handler with respect to milk diverted for the account of the association. Under an individual handler pool, as recommended herein, there appears to be no need for such a provision. A cooperative association may pay its members for milk diverted by such association according to any payment plan it chooses to use. There would be no advantage to the association or to the market to apply the payment provisions of the order to such milk,

"Producer milk" should be defined to include all skim milk and butterfat in milk produced by a producer and received at the fluid milk plant directly fror the producer or diverted by handlers as previously discussed. All provisions concerning the classification of producer milk should apply also to the milk received from the handler's own herd.

"Other source milk" should be defined as all skim milk and butterfat contained in fluid milk and milk products utilized by the handler in his operations except milk from producers, inventory and Class I products received from other fluid milk

plants. Other source milk would represent skim milk and butterfat which would not be subject to the pricing provisions of the order. It will include all fluid milk and fluid milk products from plants other than fluid milk plants and all manufactured dairy products from any source which are reprocessed or converted into another product during the month. It will include those manufactured products from a plant's own production which are made and are reprocessed or converted into another product in the plant during the same or a later month,

"Producer-handler" should be defined as a person operating an approved plant, who produces milk but receives no milk from other producers or dairy farmers. Such persons should be subject to the order only to the extent that they must submit such reports as may be required by the market administrator. In addition, it is necessary that they maintain and make available to the market administrator adequate records and accounts so that he may verify that such persons are and continue to retain their status as producer-handlers. There is no reason to establish a minimum price which a producer-handler must pay himself for milk produced on his own farm. Since producer-handlers distribute their milk directly to consumers for fluid use. there is no way to require them to pool their milk with other producers under an individual-handler pool, such as is proposed herein. Any milk that a producer-handler sells to another handler must be presumed to be surplus to his requirements for Class I use. Accordingly milk of a producer-handler should be treated as other source milk and allocated to the lowest available utilization at the fluid milk plant of the han-This method of allocating producer-handler milk received at a fluid milk plant preserves producers' priority on the Class I sales in the market. Provision should also be made so that any milk, skim milk or cream transferred to a producer-handler by a handler should be classified as Class I milk. Such receipts by producer-handlers may be presumed to be required for fluid use and therefore, should be classified as Class I milk at the transferring handler's plant.

Classification of milk. Milk received by regulated handlers should be classified on the basis of skim milk and butterfat according to the form in which or the purpose for which it is used as either Class I or Class II milk.

Skim milk and butterfat are not used in most products in the same proportion as contained in the milk received from producers and, therefore, should be classified separately according to their separate uses. The skim milk and butterfat content of milk products received and disposed of by handlers can be determined through recognized testing procedures. Some of these products such as ice cream and condensed products present an accounting problem in that some of the water contained in the milk has been removed. It is necessary in the case of such products to provide an acceptable means of ascertaining the

amount of skim milk and butterfat contained in or used to produce these products. This may be a c c o m p l i shed through the use of adequate plant records made available to the market administrator for products produced by the handler or by means of standard conversion factors for products purchased by the handler. The accounting procedure to be used in the case of any condensed milk product should be based on the pounds of milk or skim milk required to produce such products.

The products which should be included in Class I milk are those required by health authorities in the marketing area to be obtained from milk or milk products from approved Grade A sources. The extra cost of getting quality milk produced and delivered to a market in the condition and in quantities required make it necessary to provide a price for milk used in the Class I products above the ungraded or manufacturing milk price.

Excess milk not needed seasonally or at other times for Class I use must be disposed of for manufactured products. These products are less perishable and must be sold in competition with products made from unapproved milk. Milk so used should be classified as Class II milk and priced in accordance with its value in such outlets.

In accordance with these standards, Class I milk should comprise all skim milk (including concentrated or reconstituted nonfat milk solids) and butterfat disposed of in fluid form as milk, skim milk, buttermilk, flavored milk drinks, cream (except frozen cream) and any mixture of skim milk and cream (except ice cream mix, eggnog and sterilized products in bulk or contained in hermetically sealed containers)

Class I products which contain concentrated skim milk solids such as skim milk drinks to which extra solids have been added or concentrated whole milk disposed of for fluid use should be included under the Class I definition. Products such as evaporated or condensed milk packaged in bulk or in hermetically sealed cans should not be considered as concentrated milk.

Handlers must be held responsible for full accounting of all their receipts of skim milk and butterfat in any form. The handler who first receives milk from producers should be responsible to the market administrator to establish the classification of and make payment to producers for such milk except for limited quantities of shrinkage which may under certain conditions be classified as Class II milk. All skim milk and butterfat which is received and for which the handler cannot establish utilization should be classified as Class I milk. This provision is necessary to remove any advantage to handlers who fail to keep complete and accurate records and to assure that producers receive full value for their milk on the basis of its use.

All skim milk and butterfat used to produce products other than those classified as Class I milk should be classified as Class II milk. Included as Class II milk are products such as frozen cream, ice cream, ice cream mix, and other

frozen desserts and mixes; butter, cheese, including cottage cheese; evaporated and condensed milk; nonfat dry milk solids, dry whole milk; condensed or dry buttermilk and any other products not designated as Class I milk. Skim milk and butterfat disposed of to commercial bakeries or food product manufacturing plants (other than dairy plants) which do not dispose of milk for fluid consumption should be Class II milk. Milk for such uses is not required to come from "Grade A" sources. Handlers at times dispose of small quantities of milk, particularly skim milk, for animal feed, This milk should be Class II.

Butterfat and skim milk used to produce Class II products should be considered to be disposed of when so used. Handlers will need to maintain stock records on such products, however, to permit audit of their utilization records by the market administrator. Class II products from any source which may be used during the month in the production of products in Class I milk should be considered to be a receipt of other source milk. This will maintain priority of assignment of current receipts of producer milk to Class I utilization.

Shrinkage not in excess of 2 percent of total receipts of skim milk and butterfat from producers and other sources should be considered as Class II milk. Shrinkage or plant loss in excess of 2 percent should be Class I milk, except provision should be made for a Class II shrinkage allowance of 5 percent on skim milk only during the flush production season when it is sometimes necessary to dump small quantities of skim milk. A fluid milk plant, efficiently operated and for which accurate and complete records are maintained should not experience shrinkage in excess of this amount.

Handlers have inventories of milk and milk products at the beginning and end of each month which enter into the accounting for current receipts and utilization. Inventory is intended to include stocks on hand of bulk milk, skim milk and cream and bottled milk and other fluid milk products designated as Class I milk. Manufactured products (Class II) on hand are not included in the inventory account because the milk used to produce such products will already have been accounted for as Class I milk. As previously indicated, handlers will need to keep stock records of such products but they will not be included in inventory for the purpose of accounting for current receipts.

It is concluded that inventory should be accounted for as Class II milk. If fluid milk products in inventory are accounted for as Class II milk at the end of a month, it will be necessary to provide a method to deal with the producer milk inventory which is used in the current month for Class I purposes but which the handler accounted for to producers as Class II milk at the end of the previous month. In plants which engage primarily in a fluid milk business, it is quite possible that a decrease in inventory, in any given month, may exceed their total utilization of milk in

Class II. Handlers, at times, also use other source milk in their operations. Producer milk from inventory should have prior claim on Class I sales over current receipts of other source milk. This can be accomplished by considering the ending inventory in one month as a receipt in the following month and subtracting such receipt (under the allocation procedure) in series starting with Class II milk following the subtraction of other source milk. To the extent that opening inventory is allocated to Class I milk and there was an equivalent amount of producer milk classified in Class II milk in the previous month (after the allocation of other source milk) a reclassification charge should be made at the difference between the Class I price in the current month and the Class II price in the preceding month. This will promote equality in the cost of milk among handlers and returns to producers irrespective of whether or not such producer milk is from the previous month's ending inventory or is a current receipt.

Transfers. Classification of butterfat and skim milk used in the production of Class II items should be considered to have been established when the product is made. Classification of Class I milk should be established when the butterfat or skim milk is disposed of. However, since some of the Class I items may be disposed of to other milk plants for Class II use, separate classification procedures should be prescribed for each Class I items transfèrred to such other plants.

Milk, skim milk or cream or other products designated as Class I milk transferred by a handler to the fluid milk plant of another handler, except that of a producer-handler, should be classified as Class I milk unless both handlers indicate in their reports to the market administrator that they desire such milk to be classified as Class II milk. However, sufficient Class II utilization must be available at the transferee plant for such assignment after prior allocation of shrinkage and other source milk, as described below. On the other hand, if the transferring handler had other source milk during the month, the assignment of products transferred to another plant to the Class I utilization of such plant should be limited so that other source milk in the transfering handler's plant will not be allocated to Class I milk while at the same time producer milk is allocated to Class II

milk in the transferee handlers' plant. Milk, skim milk and cream disposed of in bulk to a nonfluid milk plant including milk which is diverted (sent directly to the nonfluid milk plant from the producer's farm) should be classified as Class I milk unless the nonfluid milk plant meets certain conditions. In order for diverted or transferred milk to be classified as Class II milk, the receiving nonfluid milk plant must have no Class I milk in excess of that which may be assigned to receipts of milk from dairy farmers directly supplying such plant. In addition, the operator of such nonfluid milk plant, if requested, must make his books and records available to the

market administrator for the purpose of verifying the receipt and utilization of milk in such nonfluid milk plant. In case more than one fluid milk plant transfers milk to the same nonfluid milk plant, and a portion of this milk is assigned to Class I milk, such Class I usage should be prorated between the transferring plants in accordance with the total receipts from such plants. Provision for verification by the market administrator is reasonable and necessary to assure that producer milk will be paid for in accordance with its utilization. As mentioned heretofore, Class I milk transferred to a producer-handler should not be subject to reclassification.

Allocation. In view of the fact that the order class prices apply only to producer milk, it is necessary if a plant has butterfat or skim milk other than that received in producer milk, to determine the quantities of milk in each class to be assigned to current receipts from producers. The milk producers who are primarily engaged in supplying the market should be assigned the Class I utilization first. This is necessary to insure the stability of the classified pricing program of the order. If the order permitted handlers to obtain other source milk whenever it was advantageous to do so for Class I use while producer milk in the plant was utilized in Class II, the order could not be effective in carrying out the purposes of the act. Also, the market would be deprived of a dependable supply of milk. The system of assigning utilization of milk to receipts from different sources which will carry out this objective is set forth in § 966.46 of the order.

Under this procedure, the skim milk and butterfat, respectively, remaining in each class is assigned to producer milk by making the following deductions from the gross utilization of each handler starting with Class II milk, except as otherwise noted;

- (1) Class II shrinkage of producer milk;
- (2) Other source milk as defined in § 966.12;
 - (3) Beginning inventory.
- (4) Receipts from other handlers (according to classification) and
 - (5) Overage.

Since uniform prices paid producers by each handler are to be calculated monthly the assignment of utilization described above should be carried out with respect to all milk received during each month. To apply a shorter accounting period, would place an accounting and reporting burden upon handlers and increase the cost of administering the order.

Class prices. In order to stabilize marketing conditions, Class I prices should be established at a level which, together with appropriate Class II prices, will return blend prices to producers that will provide the market with a sufficient but not excessive supply of pure and wholesome milk.

The establishment of prices at a level that is too low will result in the production of insufficient milk to meet the Class I needs of the market. Conversely, production will be over-stimulated if prices are established at too high a level.

The production of more milk than is required to satisfy the Class I demands would lead to the development of uneconomic reserves of Grade A milk and generally would tend to depress the price for all milk produced for the market.

Because of changing supply and demand conditions for milk, both in the local market and throughout the country it is necessary in order to maintain an appropriate balance between local supplies and sales, to provide a method for changing Class I prices to reflect such conditions. Pricing formulas which cause prices to change automatically with changes in market conditions are in general use for the pricing of milk to farmers in Federally regulated markets. Such a formula should be applied in the Shreveport market. The method of adding a stated differential to basic or manufacturing milk prices should be adopted to establish the Class I price in this market.

The effective price of Class I milk in the Shreveport area should not, over any extended period of time, exceed the cost of regular dependable supplies of Grade A milk from alternative sources. Should this situation occur, there would be an incentive for handlers to reduce purchases from local producers and purchase milk from outside sources. On the other hand, the record indicates that a level of prices lower than those prevailing in markets to the north and west (the principal source of supplemental supplies) with due consideration for the cost of moving milk to this area, will not attract sufficient milk from local sources to meet the requirements of this market.

The prices applicable to milk at more distant sources tend to fluctuate to a considerable extent with the value of milk normally disposed of to manufacturing outlets. It is concluded, therefore, that a Class I price computed on the basis of a basic formula price together with a proper price differential will serve to maintain returns to producers at an appropriate level and in accord with changing competitive conditions both locally and in the specialized dairy regions of the country.

Since Class I milk is priced on a seasonal basis in some of the principal markets which are considered as alternative sources of supply it is desirable that the Class I differential for the Shreveport market also reflect seasonal differences in the cost of milk from such markets. Unless some provision is made for seasonal price differentials, local prices may move out of line with the price of milk from outside sources and encourage the displacement of producer milk with other source milk, particularly during the flush production season.

Changes in prices as reflected by the basic formula price are those which reflect changes in the value of manufacturing milk at a national level. The particular price quotation used to reflect the value of manufacturing milk and dairy products have wide use in formula pricing of Class I milk. The proposed basic pricing formulas are similar to those applied in other orders. These formulas are concluded to be appropri-

ate to reflect general changes in the value of milk and manufactured products throughout the major milk producing regions of the country

The differential that is added to the basic formula price should reflect the additional cost of getting Grade A milk produced and delivered to the market in the quantities required to meet the market needs for fluid consumption.

Producers proposed that the Shreveport Class I price be determined by adding a differential of \$2.25 during the months of March through June and \$2.45 in all other months of the year. The resulting Class I price was to be adjusted in accordance with the relationship of receipts of producer milk to Class I sales.

Without consideration of any supplydemand adjustments, producers' proposal would have resulted in average Class I prices for the year 1951 of 51 cents more than the prices actually paid by handlers, 9 cents more in 1952, 1 cent more in 1953 and 27 cents more during the first 5 months of 1954.

There is conflicting testimony in the record with respect to the volume of Class I sales made in the past to certain army installations, some of which have been deactivated. It is difficult, therefore, to determine from this record, the appropriate relationship between producer receipts and Class I sales of regulated plants. More information is needed to develop a standard for making local supply-demand price adjustments. For this reason, the proposal for a supply-demand adjustment should be denied. If after more information becomes available and there is a need for such automatic price adjustments, it will be appropriate to consider a provision of this type at that time. The propriety of the differentials, recommended hereinafter may be explored and changed, if necessary, in the immediate future through the public hearing procedure.

Handlers at the hearing and in their briefs urged that the Class I price should be the same as the Class I price under the North Texas order, No. 43. The North Texas Class I price is determined by adding a differential of \$2.00 during the months of March, April, May and June and \$2.20 in all other months to a basic formula price which is identical to that contained in the proposed order. The North Texas price is subject to a further adjustment as reflected by the local supply-sales relationship. This adjustment has both increased and decreased the formula Class I prices.

The record indicates that over a period of time there is need for maintaining a close alignment of prices in the Shreveport and North Texas markets. Although the record discloses somewhat higher prices at Shreveport at times in the past it may not be expected that Class I prices could, or should, be maintained out of reasonable alignment with the cost of obtaining milk for Class I uses from areas where milk generally is in plentiful supply and can be shipped into the Shreveport market. It appears that Shreveport and the North Texas market are similarly located as to distance from the main areas of alternative

supply and that the costs of obtaining alternative, or supplemental, supplies would be substantially the same for both markets.

Based on the above stated facts it is concluded that a Class I differential of \$2.00 should be added to the basic formula price during the months of March, April, May, and June and \$2.20 during the other months of the year. In appraising the appropriateness of the proposed Class I differentials in terms of average returns to producers, consideration should be given to any changes provided in the classification of milk as well as the class prices themselves. Under the proposed Class I milk definition buttermilk and chocolate milk drinks are included in Class I milk, while at the present time handlers are paying lower (Class I-A) prices for milk utilized in such products. Likewise, milk which is classified as Class I-B milk (interhandler transfers) is also paid for at a lower price. Based on the 1953 pattern of utilization in the Shreveport market, these changes in classification alone would have increased returns to producers between 4 and 5 cents per hundredweight on total producer deliveries. Had the revised plan of classification and the Class I price differentials adopted been in effect together during the first 5 months of 1954, they would have resulted in an average price to producers estimated at approximately 11 cents higher than that actually received by producers during such period. It may be noted that this 5-month period includes three of the four months in which the lower seasonal differential applies.

The recommended decision proposed that the Shreveport Class I price should not be less than the North Texas Class I price, or more than the latter price plus 20 cents. In view of exceptions taken to a direct relationship to the level of prices in the North Texas market, it is concluded that this feature of the pricing plan should be omitted at this time. It will be appropriate to reexamine the Shreveport prices on the basis of relative price movements in the two markets after a period of operating experience. It is concluded that the level of prices provided will be sufficient to maintain production commensurate with consumer demand for Class I milk.

The market administrator should announce the Class I price at the beginning of each month. In order to do this, it will be necessary to use the price quotations for the previous month in determining the basic formula price. These quotations will be available so the market administrator will be able to announce the Class I price on or before the fifth of each month.

Class II prices. Some reserve milk is needed by the market to meet day to day fluctuations in producer receipts and in Class I sales. Because of the seasonal variation in production, producers deliver more milk to the market during the spring and summer months than during the fall and winter months when Class I sales are usually greatest. The Class II price should be at such a level that handlers will accept and market whatever quantities of reserve milk may arise from time to time.

All products included in Class II milk may be made from unapproved milk. Approved milk which may be used in such products by regulated handlers should be priced at a level which is competitive with the cost of milk or milk products that they may need for Class II operations conducted in conjunction with their fluid milk business. Ice cream, condensed milk, cottage cheese and storage cream are the most important outlets for reserve milk in handlers' plants. Except during the flush production season, a Class II pricing formula based on the wholesale price of butter and nonfat milk solids will provide the most satisfactory pricing arrangement for producer milk which is devoted to such uses. During the fall and winter months, the market has relatively small quantities of producer milk over and above Class I uses. To the extent that individual handlers have some producer milk utilized as Class II milk during these months the proposed butter powden formula will result in a price that will be competitive with the cost of skim milk and butterfat that handlers must import to continue their Class II operations. The proposed formula has resulted in slightly higher prices than those recently paid by manufacturing plants for ungraded milk in this general area. Provision should be made, however, that the Class II price will not be less than the prices paid for ungraded milk by three manufacturing plants hereinafter discussed.

Since the market is extremely short of skim milk during the fall and winter months, the Class II butterfat differential is more important in determining the cost of producer milk utilized in Class II products during these months than the Class II price itself. It is concluded that a Class II butterfat differential of 0.110 times the price of 92-score butter will reflect the competitive value for butterfat in Class II usage.

During the months of flush production, more milk is received by handlers than is normally required for their Class I needs and their necessary working reserve. The Class II pricing arrangement for this season of the year should provide a price to producers which reflects a local competitive price for manufacturing milk and one under which handlers will be willing to accept, process and, at times, store excess producer milk in the form of Class II products.

It is concluded that the Class II price for these months, i. e., March through June, should be the average paying price of 3 manufacturing plants located in nearby Texas. These plants manufacture the same type of products that seasonal reserve milk would be devoted to by handlers in the Shreveport market. In some instances, these plants compete with Shreveport handlers for the sale of ice cream mix and other products both within and outside the marketing area.

To the extent that handlers have any seasonal reserve milk which cannot be used in their plants, they may dispose of such milk to the manufacturing plants which pay the highest price at the time of such disposition. It is possible, that some handlers may, at times, realize

losses in handling their reserve supplies if such milk must be moved to distant manufacturing plants. The presence and the handling of such milk is incidental and necessary to a specialized fluid milk operation.

In order that the Class II price may be kept fully in line with current changes in manufacturing values, the prices paid for manufacturing milk and the central market price for butter and nonfat milk solids prevailing during the current month should be used for the Class II price determination under the order.

Butterfat differentials. As indicated previously in this decision, butterfat and skim milk should be accounted for separately for the purpose of classification. Class I and Class II prices should be adjusted therefore to reflect the value of such milk in each class on the basis of its average butterfat content. This may be done by means of a butterfat differential which will reflect the value of the butterfat as used in various products with different fat contents.

The record indicates that the average butterfat test of receipts from producers is in excess of the fat test of Class I sales in the market. Butterfat used in Class I products is of Grade A quality and costs more to produce than butterfat produced from ungraded milk which may be used for ungraded products. An appropriate basis for arriving at this value may be achieved by multiplying the average price of 92-score butter at Chicago by 0.120 for Class I milk and by 0.110 for Class II milk. These values, masmuch as they reflect changes in the central market price for butter, are deemed to provide an appropriate basis for adjusting the class prices in the proposed area. Since the present basing point for adjusting butterfat differentials is 4.0 percent, it is concluded that this practice should be continued.

Provision should be made to announce the Class I butterfat differential early in the month. This may be accomplished by calculating this differential on the basis of the prices reported for butter during the immediately preceding month. By this practice, it will be possible to announce the Class I butterfat differential at the same time that the Class I price is announced.

Location differentials. In order to recognize the cost of moving Class I milk from distant plants which might become regular sources of supply for the marketing area, it is necessary to establish the Class I price at plants located in or near the marketing area and provide a schedule of location adjustments (deductions from the price of Class I milk) which will apply to milk received at regulated plants located outside of this area. Since the City of Shreveport is the primary market for nearly all the milk to be priced under the order it is concluded that location adjustments should apply at plants located more than 40 miles (by shortest hard-surfaced highway distance as determined by the market administrator) from the City Hall in Shreveport. A rate of adjustment of 1.75 cents per hundredweight of milk for each 10 miles or fraction thereof that such plant is located from the Shreveport City Hall should apply.

This rate approximates the cost of through December thereafter should be moving bulk tank milk from distant used as the base-forming period. These plants to the marketing area.

The prices paid producers delivering milk to which location differentials apply likewise should be reduced to reflect the lower value of such milk at the plant to which it is delivered.

The distribution of the proceeds to producers. The individual-handler type of pool should be established in the order as a means of distributing to producers the returns from the sales of their milk. Under this type of pool, the minimum prices to be paid to producers will be uniform as to all producers delivering their milk to the same handler. The "blend" "base" and "excess" prices, as the case may be, will be dependent on the proportion of the producers' milk that is used in Class I and Class II milk by the handler. Although each handler will be required to pay not less than minimum uniform price(s) to all the producers who deliver milk to him during a month, the prices that are paid by different handlers to their producers will vary in accordance with the proportion of milk that is used by the handler in each class.

The individual-handler type of pool will tend to assist in allocating the available supplies of producer milk among handlers in accordance with their Class I needs and will result in the optimum returns to producers for their milk.

Base and excess plan. A base and excess plan for distributing the returns from milk among producers should be applied in conjunction with the individual-handler pool. At present, a base rating plan is applied under the Louisiana State Audit Law for the payment of milk in all Louisiana fluid milk markets not subject to Federal regulation. The base and excess method of paying producers for milk during the flush producing months has wide support among handlers and producers in the Shreveport area and should be continued.

Milk production in the area shows considerable seasonal variation. Class I sales remain relatively stable on a yearround basis. Handlers in the marketing area are not equipped to utilize large quantities of seasonal reserve milk in relation to the Class I requirements. production pattern more closely in line with sales of fluid milk should be encouraged by providing returns to the producer during the flush production season related to his ability to deliver milk in the short production season. With a proper basing system, dairy farmers will be afforded an incentive to manage their dairy enterprise in such a manner as to increase the proportion of their annual output of milk during the winter months. The operation of this plan will not affect the cost of milk to handlers. It is merely a means of distributing the money due the producers delivering milk to the handler.

Base-forming period. The base-excess plan recommended herein would establish for each producer in the market a base in accordance with the quantity of milk marketed by him during the base-forming period. The five months period of September 1954 through January 1955 and the four-month period September

through December thereafter should be used as the base-forming period. These periods conform with the base-forming periods applied under the Louisiana State Audit Law and are the months of lowest milk production in this area.

Bases will be established each year and will not be affected by the bases established in previous years. Thus, the base of each producer will depend on his production during the immediately preceding base-forming period.

The daily base of each producer will be determined by dividing the total pounds of milk shipped to a handler by such producer during the base-forming period by the number of days the producer is on the market in such period but not less than 90. Provision is made therefore for producers who may enter the market after the start of the baseforming period to establish a full base by delivering a minimum of 90 days during the specified period. Producers delivering milk for less than 90 days will have their bases calculated by dividing their total deliveries during the base-forming period by 90. A new producer who furnishes milk without an established base would be paid for his deliveries of milk on the basis of the handlers' excess price.

Provision should be made for the market administrator to notify each producer and the handler to whom he is currently selling milk of the amount of his established base on or before the 25th day after the end of the baseforming period.

It will not be possible to make the order effective prior to the base-forming period of 1954. It is concluded, however, that payments to producers should be made on the basis of deliveries of milk to handlers during the months of September through December 1954 and January 1955. In the absence of an order this method of payment would prevail under the State Audit Law. Nearly all of the handlers who would be regulated by the order, are required to keep records on producer deliveries under the Louisiana State Audit Law and this information will be available to the market administrator to verify producers' bases from these records. For the base-operating period of 1955. therefore, provision should be made for each handler to compute, subject to verification by the market administrator, the daily base for each producer from whom he received milk during the base-forming period and notify such producer of his daily base on or before the 25th day after the end of such baseforming period.

Base-operating period. The baseoperating period during which payments are made in accordance with the base plan need not include all months that are not included in the base-forming period to achieve the objectives of the plan. The base-operating period (payment for base and excess milk) should be limited to the months of February through July. By so doing, a desired degree of flexibility will be provided. Bases can then be announced in advance of the base-operating period. Omission of August from the base-operating period will permit all producers to adjust their production programs immediately preceding the fall shortage months without being influenced by the base plan operating during this month.

Certain rules should be provided in connection with the establishment and transfer of bases so as to provide reasonable administrative workability of the plan. To accomplish this and to preserve the effectiveness of the base plan, only entire bases should be transferred. Such transfers may be made by notifying the market administrator in writing by the transferor prior to the end of the month to which such transfer is to be effective. If a base is held jointly by two or more persons, the entire base transferable by any joint holder shall be his portion of such base as is indicated in writing by the joint holders.

Producers proposed that the base established by each producer be adjusted in accordance with the relationship during the base-forming period between (1) the total receipts of producer milk of the handler receiving such producer's milk and (2) 110 percent of such handler's Class I sales. This proposal would have the effect of decreasing each producer's base delivering milk to a particular handler whose receipts of producer milk were more than 110 percent of his Class I sales and of increasing each individual producer's base if the handler's producer milk receipts are less than 110 percent of his Class I sales. In addition to increasing the accounting and administration problems involved, the adjustment of bases is not necessary or desirable. The base established by an ındividual producer should depend solely upon the production of the producer. It should not be related to the disposition of the handler who receives the milk during the base-forming period. Under the proposal the importance of establishing a large base with a particular handler having a high ratio of Class I sales to producer receipts may tend to be more important than the level of prices established under the order in determining the annual level of production. The purpose of the base plan is to encourage more level production and not to effect changes in the annual level of production. The appropriate level of production is to be accomplished under an order through the functioning of the class pricing mechanism. The adoption of a plan for the adjustment of bases would tend to detract from the effectiveness of the classified price plan in effectuating the appropriate level of production. The proposal should be denied.

Payments to producers. The order should provide that each handler make final payment to each producer for milk received at his fluid milk plant during the month on or before the 15th day after the end of the month. In case of producers who are members of a cooperative association which is authorized, and so requests, to collect payments for its members, final payment should be made by the handler to the association on or before the 13th day after the end of the month. This will permit a cooperative association also to pay its members by the 15th day of the month.

During the base-operating period, final payments by the handlers for milk will

be made at the applicable base and excess prices, and during other months at the uniform or blend price.

It has been a customary practice for handlers to pay producers twice monthly in this market. Therefore, partial payments should be made by the handler to producers on or before the 28th day of the month, the 26th in case of payments to a cooperative association, for milk received during the first 15 days at not less than the Class II price for the preceding month. This price need not be adjusted for the butterfat differential masmuch as it represents an interim payment. Provision should be made for handlers to make deductions as authorized by the producer from payments due him for goods and services furnished or for money advanced by the handler. At the time the final payment is made, each handler will be required to furnish to each producer (or to a cooperative association receiving payment for its members) a monthly statement showing the pounds and butterfat test of milk received from him together with the rate or rates of payment for such milk and a description of any deductions claimed by the handler.

Minimum uniform prices including base and excess prices, to be paid producers by each handler are to be computed for milk containing 4.0 percent butterfat. In distributing the proceeds of milk to producers, a differential should be applied to recognize different values of milk in accordance with its butterfat content.

The butterfat differential used in making payments to producers should be calculated at the average of the return actually received from the sale of butterfat in producer milk. The rate to be used for this purpose would be the average of the Class I and Class II differentials weighted by the proportion of butterfat in producer milk classified in each class. Thus, producer returns for butterfat will reflect the actual sale value of their butterfat at the class prices provided in the order. The producer butterfat differential in no way affects the handlers' cost of milk but merely prorates returns among producers whose milk differs in butterfat test.

Other administrative provisions. In addition to those provisions heretofore discussed certain other provisions should be included in the order with respect to the administrative steps necessary to carry out the regulation.

Terms and definitions. In addition to those definitions, heretofore discussed, which define the scope of the regulation, other terms are defined in the interest of brevity and to assure that the usage of a term implies the same meaning throughout the order. The terms that are defined in the proposed order are common to many other Federal milk orders.

Market administrator Provision should be made for the appointment by the Secretary of a market administrator to administer the order and to set forth the powers and the duties for such agency essential to the proper functioning of his office.

Records and reports. Provisions should be included in the order requiring

handlers to maintain adequate records of their operations and to make the reports necessary to establish classification of producer milk and payments due for such milk. Time limits must be prescribed for filing such reports and for making payments to producers. Dates must also be established for the announcement of prices by the market administrator. The following schedule will afford interested parties sufficient time to perform the functions as indicated below.

Day of

Function

Announcement by market administrator of the Class I price and Class I butterfat differential for the current month and the Class II price and Class II butterfat differential for the preceding month.

7th Submission by handlers of the monthly report of receipts and utilization for the preceding month.

Announcement by market administrator of the uniform price(s) for each handler and notification to handlers of the value of their producer milk received during the preceding month.

12th Report by market administrator to a cooperative association of the class utilization of members' milk by each handler.

13th Final payments by handlers for milk received during preceding month to a cooperative association authorized to collect payment for milk of its members.

15th Final payments by handlers to individual producers for milk received during the preceding month and payments to the market administrator of the administrative assessment and marketing service deductions.

20th Submission of producer payroll report by handlers for the preceding month.

28th Partial payments to producers for milk received during the first 15 days of the month.

It should be provided that the market administrator report on or before the 12th day of the month to each cooperative association, which so requests, the amount and class utilization of milk received by each handler from producers who are members of such cooperative association. For the purpose of this report, the utilization of members' milk in each handler's plant will be prorated to each class in the proportion that total receipts of producer milk were used in each class by such handler. In addition to the regular reports of handlers. provision is made for the handler, prior to the diversion of the milk of a producer, to notify the market administrator and the cooperative association, if such producer is a member of an association of his intention to divert such milk. These reports are of benefit to a cooperative association to assist in the proper allocation of milk among handlers in accordance with their needs for Class I disposition.

Handlers should maintain and make available to the market administrator all records and accounts of their operations, and such facilities as are necessary to determine the accuracy of the information reported to the market administrator as he may deem necessary or any other information upon which

the classification of producer milk depends. The market administrator must likewise be permitted to check the accuracy of weights and tests of milk and milk products received and handled and to verify all payments required under the order.

It is necessary that handlers retain records to prove the utilization of the milk received from and that proper payments were made to producers. Since the books of all handlers associated with the market cannot be audited immediately after the milk has been delivered to a plant, it is necessary that such records be kept for a reasonable period of time.

The order should provide for specific limitations of the time that handlers should be required to retain their books and records and of the period of time in which obligations under the order should terminate. Provision made in this regard is identical in principle with the general amendment made to all milk orders in operation on July 30, 1947 following the Secretary's decision of January 26, 1949 (14 F R. 444) That decision covering the retention of records and limitations of claims is equally applicable in this situation and is adopted as a part of this decision.

Expense of administration. Each handler should be required to pay the market administrator as his pro rata share of the cost of administering the order not more than 4 cents per hundred-weight or such lesser amounts as the Secretary may, from time to time, prescribe on (a) producer milk (including such handler's own production) (b) other source milk in a fluid milk plant which is allocated as Class I milk pursuant to § 966.46 (a) (2) and (b) and (c) Class I milk disposed of in the marketing area from a nonfluid milk plant.

The market administrator must have sufficient funds to enable him to administer properly the terms of the order. The act provides that such cost of administration shall be financed through an assessment on handlers. One of the duties of the market administrator is to verify the receipts and disposition of milk from all sources. The record indicates that other source milk is received by handlers to supplement local producer supplies of milk. Equity in sharing the cost of administration of the order among handlers will be achieved, therefore, by applying the administrative assessment to all producer milk (including handlers' own production) and other source milk allocated to Class I milk.

In view of the anticipated volume of milk and the costs of administering orders in markets of comparable circumstances, it is concluded that an initial rate of 4 cents per hundredweight is necessary to meet the expenses of administration. Provision should be made to enable the Secretary to reduce the rate of assessment below the 4 cents per hundredweight maximum without necessitating an amendment to the order. This should be done at any time experience in the market reveals that a lesser rate will produce sufficient revenue to administer the order properly.

Marketing services. A provision should be included in the order for furnishing market services to producers, such as verifying the tests and weights of producer milk and furnishing market information. These should be provided by the market administrator and the cost should be borne by the producer receiving the service. If a cooperative association is performing such services for any member producers and is approved for such activities by the Secretary the market administrator may accept this in lieu of his own service.

There is need for a marketing service program in connection with the administration of an order in this area. Orderly marketing will be promoted by assuring individual producers that payments received for their milk are in accordance with the pricing provisions of the order, and reflect accurate weights and tests of such milk. To accomplish this fully it is necessary that the butterfat tests and weights of individual producer deliveries of milk as reported by the handler be verified for accuracy.

An important phase of the marketing service program is to furnish producers with correct market information. Efficiency in the production, utilization and marketing of milk will be promoted by the dissemination of current information on a market-wide basis to all producers.

To enable the market administrator to furnish such services, provision should be made for a maximum deduction of 5 cents per hundredweight with respect to receipts of milk from producers for whom he renders marketing services. If later experience indicates that marketing services can be performed at a lesser rate, provision is made for the Secretary to adjust the rate downward without the necessity of a hearing.

without the necessity of a hearing.

General findings. (a) The proposed marketing agreement and the order, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the act;

(b) The parity prices of milk as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds and other economic conditions which affect market supply of and demand for milk in the marketing area, and the minimum prices specified in the proposed marketing agreement and the order are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk and be in the public interest; and

(c) The proposed order will regulate the handling of milk in the same manner as, and will be applicable only to persons in the respective classes of industrial and commercial activity specified in a marketing agreement upon which a hearing has been held.

Ruling on exceptions. Within the period reserved therefor, exceptions were filed to certain of the findings, conclusions, and actions recommended by the Deputy Administrator. In arriving at the findings and conclusions included in this decision each of the exceptions received was carefully and fully considered in conjunction with the record evidence

pertaining thereto. To the extent that the findings and conclusions herein are at variance with the exceptions, such exceptions are overruled.

Determination of representative period. The month of December 1954 is hereby determined to be the representative period for the purpose of ascertaining whether the issuance of an order regulating the handling of milk in the Shreveport, Louisiana, marketing area in the manner set forth in the attached order is approved or favored by producers who during such period were engaged in the production of milk for sale in the marketing area specified in such order.

Marketing agreement and order Annexed hereto and made a part hereof are two documents entitled "Marketing Agreement Regulating the Handling of Milk in the Shreveport, Louisiana, Area, and "Order Regulating the Handling of Milk in the Shreveport, Louisiana, Marketing Area," which have been decided upon as the detailed and appropriate means of effectuating the foregoing conclusions. These documents shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and orders have been met.

It is hereby ordered, That all of this decision, except the attached marketing agreement, be published in the FEDERAL REGISTER. The regulatory provisions of said marketing agreement are identical with those contained in the attached order which will be published with this decision.

This decision filed at Washington, D. C., this 8th day of February 1955.

[SEAL]

Sec.

966.0

EARL L. BUTZ, Assistant Secretary.

Order ¹ Regulating the Handling of Milk in the Shreveport, Louisiana, Marketing Area

Findings and determinations.

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¹This order shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and orders have been

966.40

966.53

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966.111 Separability of provisions.

§ 966.0 Findings and determinations-(a) Findings upon the basis of the hearing record. Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S. C. 601 et seq.) and the applicable rules of practice and procedure, as amended, governing the formulation of marketing agreements and marketing orders (7 CFR Part 900) a public hearing was held upon a proposed marketing agreement and proposed order regulating the handling of milk in the Shreveport, Louisiana, marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order, and all the terms and conditions thereof, will tend to effectuate the declared policy of the act;

(2) The parity prices of milk as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the marketing area, and the minimum prices specified in the order are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest:

(3) The said order regulates the handling of milk in the same manner as, and is applicable only to persons in the respective classes of industrial and commerical activity specified in, a marketing agreement upon which a hearing has been held.

(4) All milk and milk products handled by handlers, as defined in this order, are in the current of interstate commerce or directly burden, obstruct or affect interstate commerce in milk or its products: and

(5) It is hereby found that the necessary expense of the market administrator for the maintenance and functioning of such agency will require the payment by each handler as his prorata share of such expense, 4 cents per hundredweight, or such amount not exceeding 4 cents per hundredweight, as the Secretary may prescribe, with respect to all receipts within the month of (i) producer milk, including such handler's own production, (ii) other source milk at a fluid milk plant which is allocated to Class I milk, and (iii) Class I milk distributed during the month on routes (including routes operated by vendors) to retail or wholesale outlets located in the marketing area from a nonfluid milk plant.

Order relative to handling. It is therefore ordered that on and after the effective date hereof the handling of milk in the Shreveport, Louisiana, marketing area shall be in conformity to and in compliance with the following terms and conditions:

DEFINITIONS

§ 966.1 Act. "Act" means Public Act No. 10, 73d Congress, as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S. C. 601 et seq.)

§ 966.2 Secretary. "Secretary" means the Secretary of Agriculture or such other officer or employee of the United States as is authorized to exercise the powers or to perform the duties of the said Secretary of Agriculture.

§ 966.3 Department. "Department" means the United States Department of Agriculture or such other Federal agency as is authorized to perform the price reporting functions specified in this part.

§ 966.4 Person. "Person" means any individual, partnership, corporation, association, or any other business unit.

§ 966.5 Cooperative association. "Cooperative association" means any cooperative-marketing association which the Secretary determines, after application by the association:

(a) To be qualified under the provisions of the Act of Congress of February 18, 1922, as amended known as the "Capper-Volstead Act" and

(b) To have full authority in the sale of milk of its members and to be engaged in making collective sales or marketing milk or its products for its members.

§ 966.6 Shreveport, Louisiana, Marketing Area. "Shreveport, Louisiana, Marketing Area," hereinafter called the "marketing area," means all territory within the boundaries of the Parishes of Caddo, DeSoto, Red River, Webster, Bossier and the Cities of Homer and Haynesville in Claiborne Parish, all in the State of Louisiana.

§ 966.7 Distributing plant. "Distributing plant" means any plant from which a volume of Class I milk equal to an average of more than 1,500 pounds per day or not less than 4 percent of the Grade A milk and skim milk received from producers and other plants is disposed of during the month through routes (including routes operated by vendors) or through plant stores to retail or wholesale outlets except fluid milk plants) located in the marketing area.

§ 966.8 Supply plant. "Supply plant" means any plant from which "Grade A" milk or skim milk is received during the month at a distributing plant:

(a) On four or more days or in an amount equal to a daily average of not less than 1,000 pounds in any of the months of April through June; and

(b) On ten or more days or in an amount equal to a daily average of not less than 8,300 pounds in any of the months of July through March.

§ 966.9 Fluid milk plant. "Fluid milk plant" means a distributing plant or a supply plant.

§ 966.10 Approved plant. "Approved plant" means (a) a fluid milk plant and (b) any milk processing or packaging plant from which Class I milk is disposed of through routes (including routes operated by venders) or through plant stores to retail or wholesale outlets located in the marketing area.

§ 966.11 Nonfluid milk plant. "Nonfluid milk plant" means any milk manufacturing, processing, or packaging plant other than a fluid milk plant.

§ 966.12 Producer "Producer" means any person, other than a producer-handler, who produces milk in compliance with Grade "A" inspection require-ments for milk for fluid consumption which milk is (a) received at a fluid milk plant or (b) diverted for the account of a handler from such plant during the months of April through June to a nonfluid milk plant: Provided, That milk so diverted shall be deemed to have been received by the diverting handler at the plant from which it was diverted.

§ 966.13 Producer milk. "Producer milk" means all skim milk and buterfat in milk produced by a producer and received at the fluid milk plant directly from producers or diverted pursuant to § 966.12.

- § 966.14 Other source milk. "Other source milk" means all skim milk and butterfat contained in:
- (a) Receipts during the month in the form of products designated as Class I milk pursuant to § 966.41 (a) (1) except (1) such products received from other fluid milk plants, or (2) producer milk; and
- (b) Products designated as Class II milk pursuant to § 966.41 (b) (1) from any source (including those produced at the plant) which are reprocessed or converted to another product during the month.
- § 966.15 Handler "Handler" means any person in his capacity as the operator of one or more approved plants.
- § 966.16 Producer-handler "Producer-handler" means any person who produces milk and operates an approved plant but who receives no milk from dairy farmers or producers.
- § 966.17 Base-forming period. "Baseforming period" means the months of September 1954 through January 1955 and September through December thereafter.
- § 966.18 Base operating period. "Base-operating period" means the months of February through July.
- Base milk. "Base milk" ₹ 966.19 means milk received by a handler during each month of the base-operating period from each producer which is not in excess of such producer's base computed pursuant to § 966.80.
- § 966.20 Excess milk. "Excess milk" means producer milk, received by a handler during the base-operating period. which is in excess of the base milk received from each producer during such month, and shall include all milk received from producers for whom no daily average base can be computed pursuant to § 966.80.
- § 966.21 Chicago butter price. "Chicago butter price" means the simple average, as computed by the market administrator, of the daily wholesale selling prices (using the midpoint of any price range as one price) per pound of 92-score bulk creamery butter at Chicago as reported during the month by the Department.

MARKET ADMINISTRATOR

- § 966.25 Designation. The agency for the administration of this part shall be a market administrator, selected by the Secretary who shall be entitled to such compensation as may be determined by and shall be subject to removal at the discretion of the Secretary.
- § 966.26 Powers. The market administrator shall have the following powers with respect to this part:
- (a) To administer its terms and provisions:
- (b) To receive, investigate, and report to the Secretary complaints of violations;
- (c) To make rules and regulations to effectuate its terms and provisions; and

- the Secretary.
- § 966.27 Duties. The market administrator shall perform all duties necessary to administer the terms and provisions of this part, including but not limited to the following:
- (a) Within 45 days following the date on which he enters upon his duties or such lesser period as may be prescribed by the Secretary execute and deliver to the Secretary a bond effective as of the date on which he enters upon such duties and conditioned upon the faithful performance of such duties, in an amount and with surety thereon satisfactory to the Secretary
- (b) Employ and fix the compensation of such persons as may be necessary to enable him to administer its terms and provisions:
- (c) Obtain a bond in reasonable amount and with reasonable surety thereon covering each employee who handles funds entrusted to the market administrator '
- (d) Pay out of funds provided by § 966.94 the cost of his bond and of the bonds of his employees, his own compensation, and all other expenses (except those incurred under § 966.93 necessarily incurred by him in the maintenance and functioning of his office and in the performance of his duties:
- (e) Keep such books and records as will clearly reflect the transactions provided for in this part, and upon request by the Secretary surrender the same to such other person as the Secretary may designate:
- (f) Submit his books and records to examination by the Secretary and furnish such information and reports as the Secretary may request;
- (g) Verify all reports and payments by each handler by audit of such handler's records and of the records of any other handler or person upon whose utilization the classification of skim milk and butterfat for such handler depends;
- (h) Publicly announce, at his discretion, unless otherwise directed by the Secretary, by posting in a conspicuous place in his office and by such other means as he deems appropriate, the name of any person who after the date upon which he is required to perform such acts, has not made reports pursuant to §§ 966.30 through 966.32, or payments pursuant to §§ 966.90 through 966.95, inclusive.
- (i) On or before the 12th day after the end of each month, report to each cooperative association which so requests the amount and class utilization of milk received by each handler from producers who are members of such cooperative association. For the purpose of this report the milk so received shall be pro rated to each class in the proportion that the total receipts of milk from producers by such handler were used in each
- (j) Publicly announce, by posting in a conspicuous place in his office and by such other means as he deems appropriate, the prices determined for each month as follows:
- (1) On or before the 5th day of each month, the minimum price for Class I

- (d) To recommend amendments to milk computed pursuant to § 966.51 (a) and the Class I butterfat differential pursuant to § 966.52 (a) both for the current month, and the minimum price for Class II milk pursuant to § 966.51 (b) and the Class II butterfat differential pursuant to § 966.52 (b) both for the preceding month;
 - (2) On or before the 12th day of each month, the uniform price(s) computed pursuant to § 966.72 or § 966.73 as applicable, and the butterfat differential computed pursuant to § 966.91.
 - (k) On or before the 12th day after the end of each month, mail to each handler at his last known address a statement showing for such handler.
 - (1) The amount and value of producer milk in each class and the total thereof.
 - (2) For the months of the base-operating period, the amounts and value of his base and excess milk, respectively.
 - (1) Prepare and make available for the benefit of producers, consumers and handlers such general statistics and information concerning the operation hereof as are necessary and essential to the proper functioning of this part.

REPORTS, RECORDS AND FACILITIES

- § 966.30 Reports of receipts and utilization. On or before the 7th day after the end of each month, each handler, except a producer-handler, shall report to the market administrator in the detail and on forms prescribed by the market administrator for each of his fluid milk plants as follows:
- (a) The quantities of skim milk and butterfat contained in milk received from each producer and, for the months of the base-operating period, the quantities of base milk and excess milk;
- (b) The quantities of skim milk and butterfat contained in products designated as Class I milk pursuant to § 966.41 (a) (1) received from fluid milk plants of other handlers;
- (c) The quantities of skim milk and butterfat in other source milk;
- (d) The quantities of skim milk and butterfat contained in inventories of products designated as Class I milk pursuant to § 966.41 (a) on hand at the beginning and end of the month,
- (e) Utilization of all skim milk and butterfat required to be reported pursuant to this section including a statement of the disposition of Class I milk outside the marketing area, and
- (f) Such other information with respect to receipts and utilization as the market administrator may prescribe.
- § 966.31 Payroll reports. On or hefore the 20th day of each month, each handler, except a producer-handler shall submit to the market administrator his producer payroll for deliveries of milk for the preceding month for each of his fluid milk plants which shall show.
- (a) The name and address of each producer.
- (b) The total pounds and the average butterfat test of milk received from such producer.
- (c) The number of days, if less than the entire month, for which milk was received from such producer and, for the months of the base-operating period,

such producer's deliveries of base milk and excess milk;

- (d) The rate and net amount of payment to each producer and
- (e) The nature and amount of any deductions or charges involved in such payments.
- § 966.32 Other reports. (a) Each producer-handler and each handler operating a nonfluid milk plant shall make reports to the market administrator at such time and in such manner as the market administrator may prescribe.
- (b) Each handler, who causes milk to be diverted for his account directly from a producer's farm to a nonfluid milk plant, shall prior to such diversion report to the market administrator and to the cooperative association of which such producer is a member his intention to divert such milk, the proposed date or dates of such diversion, and name of the plant to which such milk is to be diverted.
- § 966.33 Records and facilities. Each handler shall maintain and make available to the market administrator or to his representative during the usual hours of business such accounts and records of his operations and such facilities as are necessary for the market administrator to verify or establish the correct data with respect to:
- (a) The receipts and utilization of all skim milk and butterfat from any source:
- (b) The weights and tests for butterfat and other content of all milk, skim milk, cream and other milk products handled:
- (c) The pounds of skim milk and butterfat contained in or represented by all milk, skim milk, cream and milk products on hand at the beginning and end of each month; and
- (d) Payments to producers and cooperative associations including any deductions authorized by producers or cooperative association and disbursements of money so deducted.

§ 966.34 Retention of records. books and records required under this part to be made available to the market administrator shall be retained by the handler for a period of three years to begin at the end of the month to which such books and records pertain. Provided, That if, within such three-year period, the market administrator notifies the handler in writing that the retention of such books and records, is necessary in connection with a proceeding under section 8c (15) (A) of the act. or a court action specified in such notice. the handler shall retain such books and records or specified books and records, until further written notification from the market administrator. In either case, the market administrator shall give further written notification to the handler promptly upon the termination of the litigation or when the records are no longer necessary in connection therewith.

CLASSIFICATION

§ 966.40 Skim milk and butterfat to be classified. All skim milk and butterfat at fluid milk plants which is required

to be reported for the month pursuant to § 966.30 shall be classified by the market administrator pursuant to the provisions of §§ 966.41 to 966.46, inclusive.

§ 966.41 Classes of utilization. Subject to the conditions set forth in §§ 966.43 and 966.44, the classes of utilization shall be as follows:

(a) Class I milk. Class I milk shall be all skim milk (including concentrated and reconstituted skim milk) and butterfat (1) disposed of in fluid form as milk, skim milk, buttermilk, flavored milk drinks, cream (other than frozen storage cream) cultured sour cream, and any mixture of cream and milk or skim milk (except eggnog, aerated cream products, ice cream, mixes for ice cream and other frozen dairy products, and evaporated milk and condensed milk and milk products packaged in hermetically sealed containers) (2) used to produce concentrated fluid milk; and (3) not specially accounted for as Class II milk.

(b) Class II milk. Class II milk shall be all skim milk and butterfat.

- (1) Used to produce any product other than those designated as Class I milk pursuant to paragraph (a) (1) of this section:
- (2) Disposed of and used for livestock feed,
- (3) Contained in inventory of milk and milk products designated as Class I milk pursuant to paragraph (a) (1) of this section on hand at the end of the month,
- (4) In shrinkage not to exceed 2 percent (five percent with respect to skim milk during the months of April, May and June) of skim milk and butterfat, respectively, in receipts from producers and other source milk; and
- (5) Disposed of to commercial bakeries or food product manufacturing plants (other than nonfluid milk plants) which do not dispose of milk for fluid consumption.
- § 966.42 Shrinkage. The market administrator shall assign shrinkage at the fluid milk plant(s) of a handler as follows:
- (a) Compute the shrinkage of skim milk and butterfat classified as Class II milk; and
- (b) Assign the resulting amounts pro rata to the handler's receipts of skim milk and butterfat, respectively, in producer milk and in other source milk.
- § 966.43 Responsibility of handlers and reclassification of milk. (a) All skim milk and butterfat shall be Class I milk unless the handler who first receives such skim, milk or butterfat can prove to the market administrator that such skim milk or butterfat should be classified as Class II milk:
- (b) Any skim milk or butterfat shall be reclassified if verification by the market administrator discloses that the original classification was incorrect.
- § 966.44 Transfers. Skim milk or butterfat disposed of each month from a fluid milk plant shall be classified:
- (a) As Class I milk if transferred in the form of products designated as Class I milk in § 966.41 (a) (1) to the fluid milk plant of another handler, except a producer-handler, unless utilization as

Class II milk is claimed by both handlers in their reports submitted for the month to the market administrator pursuant to § 966.30: Provided, That the skim milk or butterfat so assigned to Class II milk shall be limited to the amount thereof remaining in Class II milk in the plant of the transferee-handler after the subtraction of other source milk pursuant to § 966.46 (a) (2) and (b) and any additional amounts of such skim milk or butterfat shall be classified as Class I milk: And provided further That if either or both handlers have other source milk during the month, the skim milk or butterfat so transferred shall be classified at both plants so as to allocate the greatest possible Class I utilization to the producer milk of both handlers:

(b) As Class I milk, if transferred to a producer-handler in the form of products designated as Class I milk in § 966.41 (a) (1)

(c) As Class I milk if transferred or diverted in the form of milk, skim milk or cream in bulk to a nonfluid milk plant, unless the following conditions are met:

(1) The transferring handler claims Class II utilization in a product specified in § 966.41 (b)

(2) The operator of such nonfluid milk plant maintains adequate books and records, showing the receipts and utilization of all skim milk and butterfat at such plant, which are made available if requested by the market administrator for the purpose of verification; and

(3) The Class I milk, as defined pursuant to § 966.41 (a) (1) in such nonfluid milk plant does not exceed the receipts of skim milk and butterfat in milk received during the month from dairy farmers, who the market administrator determines constitute the regular source of supply for such plant: Provided, That any Class I milk in excess of receipts from such dairy farmers shall be assigned to milk, skim milk or cream so transferred or diverted.

§ 966.45 Computation of the skim milk and butterfat in each class. For each month, the market administrator shall correct for mathematical and for other obvious errors the reports of receipts and utilization for the fluid milk plant(s) of each handler and shall compute the pounds of skim milk and butterfat in Class I milk and Class II milk for such handler: Provided, That if any of the water contained in the milk from which a product is made is removed before the product is utilized or disposed of by a handler, the pounds of skim milk disposed of in such product shall be considered to be an amount equivalent to the nonfat solids content of such product together with all of the water originally associated with such solids content.

§ 966.46 Allocation of skim milk and butterfat classified. After making the computations pursuant to § 966.45 the market administrator shall determine the classification of producer milk received at the fluid milk plant(s) of each handler each month as follows:

(a) Skim milk shall be allocated in the following manner:

(1) Subtract from the total pounds of skim milk in Class II milk the pounds

of skim milk assigned to producer milk pursuant to § 966.42 (b)

- (2) Subtract from the remaining pounds of skim milk in series beginning with Class II milk, the pounds of skim milk in other source milk as defined pursuant to § 966.14,
- (3) Subtract from the remaining pounds of skim milk in series beginning with Class II milk, the pounds of skim milk contained in inventory on hand at the beginning of the month and classified pursuant to § 966.41 (b) (3)
- (4) Subtract from the remaining pounds of skim milk in each class the skim milk contained in products designated as Class I milk in § 966.41 (a) (1) received from the fluid milk plants of other handlers, according to the classification of such skim milk as determined pursuant to § 966.44 (a)
- (5) Add to the remaining pounds of skim milk in Class II milk the pounds of skim milk subtracted pursuant to subparagraph (1) of this paragraph; and
- (6) If the remaining pounds of skim milk in both classes exceed the pounds of skim milk contained in producer milk, subtract such excess from the remaining pounds of skim milk in series beginning with Class II milk. Any amount so subtracted shall be known as "overage."
- (b) Butterfat shall be allocated in accordance with the same procedure outlined for skim milk in paragraph (a) of this section.
- (c) Determine the weighted average butterfat content of the Class I and Class II milk allocated to producer milk.

MINIMUM PRICES

§ 966.50 Basic formula price. The basic formula price to be used in determining the price per hundredweight of Class I milk shall be the highest of the prices computed, pursuant to paragraphs (a) (b) and (c) of this section rounded to the nearest one-tenth cent.

(a) The average of the basic or field prices per hundredweight reported to have been paid or to be paid for milk of 3.5 percent butterfat content received from farmers during the month at the following plants or places for which prices have been reported to the market administrator or to the Department, divided by 3.5 and multiplied by 4.0.

Present Operator and Location

Borden Co., Mount Pleasant, Mich. Carnation Co., Sparta, Mich.
Pet Milk Co., Hudson, Mich.
Pet Milk Co., Wayland, Mich.
Pet Milk Co., Coopersville, Mich.
Borden Co., Orfordville, Wis.
Borden Co., New London, Wis.
Carnation Co., Berlin, Wis.
Carnation Co., Richland Center, Wis.
Carnation Co., Richland Center, Wis.
Carnation Co., New Giarus, Wis.
Pet Milk Co., New Giarus, Wis.
Pet Milk Co., Belleville, Wis.
White House Milk Co., Manitowoc, Wis.
White House Milk Co., West Bend, Wis.

- (b) The price per hundredweight computed by adding together the plus values of subparagraphs (1) and (2) of this paragraph:
- (1) From the Chicago butter price, subtract 3 cents, add 20 percent thereof, and multiply by 4.0.
- (2) From the simple average as computed by the market administrator of

the weighted averages of carlot prices per pound for nonfat dry milk solids, spray and roller process, respectively for human consumption, f. o. b. manufacturing plants in the Chicago area, as published for the period from the 26th day of the preceding month through the 25th day of the current month by the Department, deduct 5.5 cents, multiply by 8.5, and then multiply by 0.96.

(c) The average of the basic or field prices per hundredweight reported to have been paid or to be paid for ungraded milk of 4.0 percent butterfat content received from farmers during the month at the following plants or places for which prices have been reported to the market administrator or to the Department.

Present Operator and Location

Carnation Co., Sulphur Springs, Tex. The Borden Co., Mount Pleasant, Tex. Lamar Creamery, Paris, Tex.

- § 966.51 Class prices. Subject to the provisions of §§ 966.52 and 966.53, the minimum prices per hundredweight to be paid by each handler for milk received at his fluid milk plant from producers during the month shall be as follows:
- (a) Class I milk price. The Class I milk price shall be the basic formula price as determined pursuant to § 966.50, plus \$2.00 for each of the months of March, April, May June and plus \$2.20 for all other months.
- (b) Class II milk price. The Class II milk price shall be the price computed pursuant to § 966.50 (c) for the months of March, April, May and June and the higher of the prices computed pursuant to § 966.50 (b) or (c) for all other months, rounded in each case to the nearest one-tenth cent.
- § 966.52 Butterfat differentials to handlers. For milk containing more or less than 4.0 percent butterfat, the class prices calculated pursuant to § 966.51 shall be increased or decreased, respectively for each one-tenth percent butterfat at the appropriate rate, rounded to the nearest one-tenth cent, determined as follows:
- (a) Class I price. Multiply the Chicago butter price for the preceding month by 0.120;
- (b) Class II price. Multiply the Chicago butter price for the current month by 0.110.

§ 966.53 Location differentials. If milk is received from producers at a fluid milk plant located more than 40 miles from the Shreveport City Hall, the Class I price for such milk shall be 1.75 cents less per hundredweight for each 10 miles or fraction thereof that such plant is located from the Shreveport City Hall by the shortest hard-surfaced highway distance as determined by the market administrator.

APPLICATION OF PROVISIONS

§ 966.60 Producer-handler Sections 966.40 through 966.46, 966.50 through 966.53, 966.70 through 966.72, 966.80 through 966.82, and 966.90 through 966.96 shall not apply to a producer-handler.

§ 966.61 Plants subject to other Federal orders. (a) An approved plant will be considered to be a nonfluid milk plant during the month for the purpose of this order if (1) a larger volume of Class I milk is disposed of from such plant in the marketing area of another order issued pursuant to the act than is distributed in the Shreveport marketing area (i) through retail or wholesale outlets (other than distributing plants) during the month, or (ii) to distributing plant(s) in each of the preceding months of September through December, and (2) such plant would be subject to the classification and the pricing provision of such other order.

(b) The operator of such approved plant shall with respect to the total receipts and utilization or disposition of skim milk and butterfat at the plant, make reports to the market administrator at such time and in such manner as the market administrator may require in lieu of the reports required pursuant to § 966.30 and allow verification of such reports by the market administrator.

DETERMINATION OF UNIFORM PRICE

§ 966.70 Net obligation to handlers. The net obligation of each handler for producer milk received at his fluid milk plant(s) during each month shall be a sum of money computed by the market administrator as follows:

- (a) Multiply the pounds of such milk in each class by the applicable class price and add together resulting amounts:
- (b) Add an amount computed by multiplying the pounds of overage deducted from each class pursuant to § 966.46 (a) (6) and (b) by the applicable class price;
- (c) Add an amount computed as follows:
- (1) Determine the pounds, if any, that the skim milk or butterfat in inventory subtracted from Class I milk pursuant to § 966.46 (a) (3) and (b) is not in excess of the quantity in producer milk classified as Class II milk (other than as shrinkage) for the preceding month, and
- (2) Multiply such pounds by the difference between the Class I price in the current month and the Class II price in the preceding month adjusted by the appropriate butterfat differentials:
- (d) Add or subtract, as the case may be, an amount necessary to correct errors discovered by the market administrator in the verification of reports of such handler of his receipts and utilization of skim milk and butterfat for previous months;
- § 966.71 Computation of aggregate value used to determine uniform prices. For each month, the market administrator shall compute for each handler who operates a fluid milk plant an aggregate value from which to determine the uniform price(s) per hundredweight for producer milk of 4.0 percent butterfat content as follows:
- (a) Add or subtract from the amount computed pursuant to § 966.70 for each one-tenth percent that average butter-fat content of producer milk received by such handler is less or more, respec-

tively, than 4.0 percent, an amount computed by multiplying such difference by the butterfat differential to producers determined pursuant to § 966.91 and multiplying the result by the total hundredweight of producer milk;

(b) Add an amount equal to the total deductions to be made pursuant to § 966.92; and

(c) Add the amount represented by any deductions made for eliminating a fraction of a cent in computing the uniform price(s) for such handler for the preceding month.

§ 966.72 Computation of uniform prices. For each month which is not in the base-operating period, the market administrator shall compute the uniform price for producer milk received by each handler by dividing the aggregate value computed pursuant to § 966.71 by the total hundredweight of the producer milk received by such handler. The result less any fraction of a cent per hundredweight shall be known as the uniform price for such handler for milk of 4.0 percent butterfat content at a fluid milk plant located not more than 40 miles from the City Hall of Shreveport, Louisiana.

§ 966.73 Computation of the uniform prices for base milk and for excess milk. For each of the months of the base-operating period, the market administrator shall compute for each handler a uniform price for base milk and for excess milk as follows:

(a) Compute the value, subject to the conditions set forth in paragraph (b) of this section, of excess milk received by such handler by multiplying the quantity of such milk by the Class II price:

- (b) Compute the value of base milk received by such handler by subtracting the value obtained pursuant to paragraph (a) of this section from the value obtained pursuant to § 966.71. Provided, That if such resulting value is greater than the amount computed by multiplying the hundredweight of such base milk by the Class I price, such value in excess thereof shall be added to the value computed pursuant to paragraph (a) of this section to the extent the excess price shall not exceed the base price. Any additional value remaining shall be prorated on a volume basis between excess and base milk;
- (c) Divide the value obtained pursuant to paragraph (b) of this section by the hundredweight of base milk. This result less any fraction of a cent per hundredweight shall be known as the uniform price for base milk of 4.0 percent butterfat content at a fluid milk plant located not more than 40 miles from the City Hall of Shreveport, Louisiana, and
- (d) Add the value represented by any fraction of a cent subtracted pursuant to paragraph (c) of this section to the value obtained pursuant to paragraph (a) of this section and divide by the hundredweight of excess milk. This result less any fraction of a cent per hundredweight shall be known as the uniform price for such handler for excess milk of 4.0 percent butterfat content at a fluid milk plant, located not more than 40

miles from the City Hall of Shreveport, Louisiana.

DETERMINATION OF BASE

§ 966.80 Computation of daily average base for each producer The daily base of each producer shall be an amount calculated by the market administrator as follows: Divide the total pounds of milk received by the handler(s) from such producer during the base-forming period by the number of days from the first day milk is received from such producer to the last day of such period, but not less than 90.

§ 966.81 Computation of base. The base of each producer to be applied during the base-operating period shall be a quantity of milk calculated by multiplying the daily base of such producer by the number of days for which such producer's milk was received by such handler during the month.

§ 966.82 Base rules. The following rules shall apply for the establishment and transfer of bases:

(a) The base shall be assigned to the producer for whose account milk is received by a handler during the base-forming period.

(b) An entire base may be transferred by the producer by notifying the market administrator in writing before the last day of any month for which such base is to be transferred to the person named in such notice: Provided, That if the base is held jointly and such joint holding is terminated, the entire base transferable by any joint holder shall be his portion of such jointly held base as indicated in writing by the joint holders.

Announcement of established bases. On or before the 25th day after the end of the base-forming period, the market administrator shall notify each producer and the handler receiving milk from such producer of the daily base established by such producer Provided, That for the baseoperating period of 1955, each handler shall compute, subject to verification by the market administrator, the daily base for each producer from whom he received milk during the base-forming period and notify such producer of his daily base on or before the 25th day after the end of such base-forming period.

PAYMENTS

§ 966.90 Payments to producers. Except as provided in paragraph (d) of this section, each handler shall make payment to each producer for milk received from such producer as follows:

(a) On or before the 28th day of each month, for milk received during the first 15 days of the month at not less than the Class II price for the preceding month;

(b) On or before the 15th day after the end of each month which is not in the base-operating period for milk received during such month, an amount computed at not less than the uniform price per hundredweight pursuant to \$966.72 subject to the butterfat and location differentials computed pursuant to \$\$966.91 and 966.92, respectively plus or minus adjustments for errors made in

previous payments to such producers; and less (1) payment made pursuant to paragraph (a) of this section; (2) marketing service deductions pursuant to \$966.93 and (3) proper deductions authorized by such producer.

(c) On or before the 15th day after the end of each of the months of the base-operating period for milk received during such month, after allowance for payment made pursuant to paragraph (a) of this section, adjustments for errors made in previous payments to such producer, marketing service deductions pursuant to § 966.93 and proper deductions authorized by such producer, an amount computed.

(1) At not less than the uniform price per hundredweight for base milk computed pursuant to § 966.73 for the quantity of base milk received from such producer during the month, subject to the butterfat and location differentials computed pursuant to §§ 966.91 and 966.92, respectively and

(2) At not less than the uniform price per hundredweight for excess milk computed pursuant to § 966.73 for the quantity of excess milk received from such producer during the month, subject to the butterfat and location differentials computed pursuant to §§ 966.91 and 966.92, respectively.

(d) On or before the 13th and 26th days of each month, in lieu of the payment pursuant to paragraphs (a) and (b) and (c) of this section, respectively, each handler shall pay to a cooperative association which so requests, with respect to producers for whose milk such cooperative association is authorized to collect payment, an amount equal to the sum of the individual payments otherwise payable to such producers;

(e) In making the payments to producers pursuant to paragraphs (b) and (c) or (d) of this section, each handler shall furnish each producer or cooperative association from whom he has received milk with a supporting statement which shall show for each month:

(1) The month and the identity of the handler and of the producer.

(2) The daily and total pounds and the average butterfat content of milk received from such producer.

(3) The minimum rate or rates at which payment to such producer is required pursuant to this part;

(4) The rate which is used in making the payment if such rate is other than the applicable minimum rate:

(5) The amount or the rate per hundredweight and nature of each deduction claimed by the handler and

(6) The net amount of payment to such producer.

§ 966.91 Butterfat differential to producers. The applicable uniform prices to be paid each producer pursuant to § 966.90 shall be increased or decreased for each one-tenth of one percent which the butterfat content of his milk is above or below 4.0 percent, respectively, at the rate determined by multiplying the pounds of butterfat in producer milk allocated to Class I and Class II milk pursuant to § 966.46 (b) by the respective butterfat differential for each class, dividing the sum of such values by the

rounding the resultant figure to the nearest one-tenth of a cent.

§ 966.92 Location differentials. In making payment to producers pursuant to § 966.90 for milk received at a fluid milk plant located more than 40 miles from the Shreveport City Hall, the price per hundredweight shall be reduced 1.75 cents for each 10 miles or fraction thereof that such plant is located from the Shreveport City Hall by the shortest hard-surfaced highway distance as determined by the market administrator.

§ 966.93 Marketing services. (a) Except as set forth in paragraph (b) of this section, each handler, in making payments to producers (other than himself) pursuant to § 966.90 shall deduct 5 cents per hundredweight or such amount not exceeding 5 cents per hundredweight as may be prescribed by the Secretary and shall pay such deductions to the market administrator on or before the 15th day after the end of each month. Such moneys shall be used by the market administrator to provide market information and to check the accuracy of the testing and weighing of their milk for producers who are not receiving such service from a cooperative association.

(b) In the case of producers who are members of a cooperative association which the Secretary has determined is actually performing the service set forth in paragraph (a) of this section and for whom a cooperative association is authorized to receive payment for marketing services as set forth in paragraph (a) of this section, each handler shall make, in lieu of the deduction specified in paragraph (a) of this section, such deductions from the payment to be made to such producers as may be authorized by the membership agreement or marketing contract between such cooperative association and such producers and shall pay such deductions to the cooperative association entitled to receive it. on or before the 15th day after the end of the month during which such milk was received. Such deductions shall be accompanied by a statement showing the quantity of milk for which such deduction was computed for each such producer. In lieu of such statement, the handler may request the market administrator to furnish such cooperative association the information reported for such producers pursuant to § 966.31.

§ 966.94 Expense of administration. As his pro rata share of the expense of administration of this part, each handler except a producer-handler, shall pay to the market administrator on or before the 15th day after the end of the month, 4 cents per hundredweight, or such amount not exceeding 4 cents per hundredweight as the Secretary may prescribe, with respect to all receipts within the month of (a) other source milk which is allocated to Class I milk pursuant to § 966.46 (a) (2) and (b) (b) producer milk including such handler's own production, and (c) Class I milk distributed during the month on routes (including routes operated by vendors) to

total pounds of such butterfat, and retail or wholesale outlets located in the marketing area from a nonfluid milk plant other than a plant as defined under § 966.61.

> § 966.95 Adjustment of accounts. Whenever audit by the market administrator of any handler's reports, books, records, or accounts, or verification of weights and butterfat tests of milk or milk products discloses errors resulting in money due a producer or the market administrator from such handler, or due such handler from the market administrator, the market administrator shall notify such handler of any amount so due, and payment thereof shall be made on or before the next date for making payments, as set forth in the provisions under which such error occurred.

> § 966.96 Termination of obligation. The provisions of this section shall apply to any obligation under this part for the payment of money.

- (a) The obligation of any handler to pay money required to be paid under the terms of this part shall, except as provided in paragraphs (b) and (c) of this section, terminate two years after the last day of the calendar month during which the market administrator receives the handler's utilization report on the milk involved in such obligation, unless within such two-year period the market administrator notifies the handler in writing that such money is due and payable. Service of such notice shall be complete upon mailing to the handler's last known address, and it shall contain but need not be limited to, the following information:
 - (1) The amount of the obligation:
- (2) The month(s) during which the milk, with respect to which the obligation exists, was received or handled; and
- (3) If the obligation is payable to one or more producers or to an association of producers, the name of such producer(s) or association of producers, or if the obligation is payable to the market administrator, the account for which it is to be paid.
- (b) If a handler fails or refuses, with respect to any obligation under this subpart, to make available to the market administrator or his representative all books and records required by this part to be made available, the market administrator may within the two-year period provided for in paragraph (a) of this section notify the handler in writing of such failure or refusal. If the market administrator so notifies a handler and said two-year period with respect to such obligation shall not begin to run until the first day of the calendar month following the month during which all such books and records pertaining to such obligation are made available to the market administrator or his representatives.
- (c) Notwithstanding the provisions of paragraphs (a) and (b) of this section, a handler's obligation under this subpart to pay money shall not be terminated with respect to any transaction involving fraud or willful concealment of a fact material to the obligation, on the part of the handler against whom the obligation is sought to be imposed.

(d) Any obligation on the part of the market administrator to pay a handler any money which such handler claims to be due him under the terms of this subpart shall terminate two years after the end of the calendar month during which the milk involved in the claim was received if an underpayment is claimed, or two years after the end of the calendar month during which the payment (including deduction or set-off by the market administrator) was made by the handler if a refund on such payment is claimed, unless such handler, within the applicable period of time, files, pursuant to section 8 (c) (15) (A) of the act, a petition claiming such money.

EFFECTIVE TIME, SUSPENSION, OR TERMINATION

§ 966.100 Effective time. The provisions of this part or any amendment to this part shall become effective at such time as the Secretary may declare and shall continue in force until suspended or terminated pursuant to § 966.101.

§ 966.101 Suspension or termination. The Secretary may suspend or terminate this part or any provisions of this part whenever he finds this part or any provisions of this part obstructs or does not tend to effectuate the declared policy of the act. This part shall terminate, in any event, whenever the provisions of the act authorizing it cease to be in effect.

§ 966.102 Continuing obligations. If. upon the suspension or termination of any or all provisions of this part, there are any obligations thereunder, the final accrual or ascertainment of which requires further acts by any person (including the market administrator) such further acts shall be performed notwithstanding such suspension or termination.

§ 966.103 Liquidation. Upon the suspension or termination of the provisions of this part, except this section, the market administrator, or such liquidating agent as the Secretary may designate, shall if so directed by the Secretary, liquidate the business of the market administrator's office, dispose of all property in his possession or control, including accounts receivable, and execute and deliver all assignments or other instruments necessary or appropriate to effectuate any such disposition. If a liquidating agent is so designated, all assets, books, and records of the market administrator shall be transferred promptly to such liquidating agent. If, upon such liquidation, the funds on hand exceed the amounts required to pay outstanding obligations of the office of the market administrator and to pay necessary expenses of liquidating and distribution, such excess shall be distributed to contributing handlers and producers ın an equitable manner.

MISCELLANEOUS PROVISIONS

§ 966.110 Agents. The Secretary may by designation in writing, name any officer or employee of the United States to act as his Agent or Representative in

connection with any of the provisions of this part.

§ 966.111 Separability of provisions. If any provision of this part, or its application to any person or circumstances is held invalid, the application of such provision and of the remaining provisions of this part, to other persons or circumstances shall not be affected thereby.

Order of Secretary Directing That Referendum Be Conducted Among Producers Supplying Milk to Shrevport, La., Marketing Area, and Designation of Agent To Conduct Such Referendum

Pursuant to section 8c (19) of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S. C. 608c (19)) it is hereby directed that a referendum be conducted among the producers (as defined in the proposed order regulating the handling of milk in the Shreveport, Louisiana, marketing area) who, during the month of December 1954 were engaged in the production of milk for sale in the marketing area specified in the aforesaid order to determine whether such producers favor the issuance of the order which is a part of the decision of the Secretary of Agriculture filed simultaneously herewith.

The month of December 1954 is hereby determined to be the representative period for the conduct of such referendum.

Andrew T. Radigan is hereby designated agent of the Secretary to conduct such referendum in accordance with the procedure for the conduct of referenda to determine producer approval of milk marketing orders as published in the FEDERAL REGISTER on August 10, 1950 (19 F R. 5177) such referendum to be completed on or before the 25th day from the date this referendum order is issued.

Done at Washington, D. C., this 8th day of February 1955.

[F R. Doc. 55-1217; Fifed, Feb. 10, 1955; 8:49 a. m.]

Commodity Stabilization Service [7 CFR Part 814]

ALLOTMENT OF 1955 SUGAR QUOTAS FOR PUERTO RICO

NOTICE OF REOPENED HEARING

Section 205 (a) of the Sugar Act of 1948, as amended (61 Stat. 922, as amended by 65 Stat. 318: 7 U.S. C. 1100) hereinafter referred to as the "act" quires the Secretary to allot a quota whenever he finds that the allotment is necessary among other things to (1) prevent disorderly marketing of sugar or liquid sugar and (2) to afford all interested persons an equitable opportunity to market sugar or liquid sugar. Section 205 (a) also requires that such allotments or revision or amendment thereof be made after such hearing and notice as the Secretary of Agriculture may prescribe.

Pursuant to the authority contained in the act and in accordance with the applicable rules of practice and procedure (7 CFR 801.1 et seq.) a preliminary finding was made that allotment of the 1955 mainland and local sugar quotas for Puerto Rico was necessary a notice of hearing was published on September 25, 1954 (19 F R. 6167) and a public hearing was held pursuant thereto at the Caribbean Agricultural Stabilization and Conservation Office, Santurce, Puerto Rico, on October 19, 1954, for the purpose of receiving evidence to enable the Secretary of Agriculture to make a fair, efficient and equitable distribution of the 1955 mainland and local quotas for Puerto Rico.

Based upon the record of the hearing and in accordance with the applicable rules of practice and procedure, the Secretary of Agriculture, on December 27, 1954, issued Sugar Regulation 814.13 (7 CFR 814.13) (19 F R. 9319) wherein he found that allotment of the 1955 mainland and local sugar quotas for Puerto Rico was necessary, and whereby he allotted to processors of sugarcane named therein, 80 percent of the 1955 mainland and local sugar quotas for Puerto Rico. pending availability of final data on 1955-crop production, 1954 marketings and January 1, 1955 inventories on the basis of which an order could be issued allotting the entire quota.

As a basis for that order the Secretary found and concluded, among other things, the following:

A mainland allotment of 1,699 short tons, raw value, should be established for Corporacion Azucarera Sauri and Subira and data for this allottee should be excluded when applying the weightings and measures of the factors * * * for determining allotments for all other allottees equal to the area quotas less 1,699 short tons, raw value.

The percentage which each allottee's "processings * * * from * * * proportionate shares," for the 1954-55 crop is of the total of such processings for all allottees constitutes a fair and equitable measure of such processings and in the initial order the processings from 1953-54 crop sugarcane should be used as estimates of processings from 1954-55 crop sugarcane.

In order to prevent any allottee from marketing a quantity of sugar in excess of the allotments established therefor on the basis of final data relating to 1954-55 crop processings, 1954 marketings and January 1, 1955 inventories, allotments established by this order should not exceed 80 percent of the combined mainland and local quotas, less 1,699 short tons, raw value, allotted to Corporacion Azucarera Sauri and Subira as indicated * * * above.

The establishment by the Secretary under Sugar Regulation 814.13 of a mainland allotment of 1,699 short tons, raw value, for Corporacion Azucarera Sauri and Subira was based on evidence in the record of the sale by that corporation of its sugar factory to Central Mercedita, Inc., and the request at the hearing, which was unopposed, that an allotment be established for Corporacion Azucarera Sauri and Subira of 1,699 short tons of sugar, raw value, to permit it to dispose of its inventory. The establishment of an initial mainland allotment of 45,339 short tons, raw value, and an initial local allotment of 16,608 short tons, raw value, for Central Mercedita, Inc., under S. R. 814.13 was based on data in the record pertaining exclusively to Central Mercedita, Inc., as is fully set forth in that regulation.

Subsequent to the issuance of Sugar Regulation 814.13 the Department of Agriculture has been informed by Central Mercedita, Inc., that it will process in 1955, in addition to the quantity of sugar normally processed by that processor, approximately 12,000 tons of sugar from proportionate share sugarcane which was formerly processed by Corporacion Azucarera Sauri and Subira (Central Constancia Ponce) The use of each processor's processings of sugar from 1954-crop sugarcane as an estimate of the quantity of sugar which each such processor will produce from 1955crop sugarcane as provided in S. R. 814.13. does not take into consideration this additional quantity of sugar to be produced by Central Mercedita, Inc.

Central Mercedita, Inc., also has informed the Department that its initial mainland and local allotments will be fully utilized by mid-April 1955 and that its storage capacity is inadequate to hold the quantity of sugar in excess of its initial allotments which will be produced from the proportionate share sugarcane which they normally process and that which was formerly processed by Corporacion Azucarera Sauri and Subira. It has informed the Department that as a result, it will be forced to discontinue its sugarcane processing operation, at excessive costs to both the processor and growers of sugarcane and before the entire crop is processed, unless its allotments established under S. R. 814.13 representing its initial allotments of 80 percent of the mainland and local 1955 sugar quotas for Puerto Rico are increased in the near future. While the initial allotments of Central Mercedita, Inc., ultimately will be revised, as provided under S. R. 814.13, to reflect its actual processings of the 1954-55 sugarcane crop including the additional processings of sugarcane formerly processed by Central Constancia Ponce, the quantity of such actual processings will not be known so as to permit such a revision until a date too late to be of assistance in the circumstances presently confronting Central Mercedita, Inc., as described above.

In view of the information described above it is deemed appropriate to reopen the record of the hearing held on October 19, 1954, pertaining to the allotment of the 1955 sugar quotas for Puerto Rico to permit evidence, limited to the subjects and issues hereinafter stated, to be introduced into such record. Accordingly pursuant to the authority contained in the act and in accordance with the applicable rules of practice and procedure, notice is hereby given that a public hearing will be held in Room 124E Administration Building, U. S. Department of Agriculture, Washington, D. C., on February 21, 1955, beginning at 10:00 a. m., e. s. t.

The scope of such hearing will be limited to the presentation of evidence relevant and pertinent to the following subjects and issues:

1. The need for an increase in the initial mainland and local allotments for Central Mercedita, Inc., which are allocations of 80 percent of the 1955 mainland and local sugar quotas for

Puerto Rico, as established by S. R. 814.13.

2. To increase the initial mainland and local allotments for Central Mercedita, Inc., which are allocations of 80 percent of the 1955 mainland and local sugar quotas for Puerto Rico, as established by S. R. 814.13, upon a basis which will neither change the allotments established for other allottees under S. R. 814.13, nor change the formula for allotting such quotas among allottees when final data become available as provided ın S. R. 814.13.

At the hearing on February 21, 1955, in the event evidence is introduced of the need for an increase in the initial mainland and local allotments for Central Mercedita, Inc., the Department of Agriculture will propose:

To increase the portion of the quotas to be allotted to processors, pending issuance of and order based on final data on processings from 1955-crop sugarcane, 1954 marketings and January 1, 1955 inventories as provided in S. R. 814.13, from 80 percent to 80.561 percent of the mainland quota and 81.740 percent of the local quota.

To increase the estimate of the quantity of sugar to be produced by Central Mercedita, Inc., from 1955-crop sugarcane to 91,521 short tons, raw value, the total quantity of sugar processed from 1954-crop proportionate share sugarcane by Central Mercedita, Inc., and Corporacion Azucarera Sauri Subira.

To increase the initial mainland and local allotments for Central Mercedita, Inc., to 51,401 and 18,348 short tons, raw value, respectively. These are the allotments which would be established for Central Mercedita, Inc., based on 91,521 short tons, raw value, as an estimate of its processings from 1955-crop sugarcane,

and utilizing the same formula as provided in S. R. 814.13.

The adoption of the above proposals would result in the allotment of 80.561 percent of the mainland 1955 sugar quota and 81.740 percent of the local 1955 sugar quota to sugarcane processors in Puerto Rico as follows:

(Short tons, raw value)

Processor	Mainland allotment	Local allot- ment
Antonio Roig, Sucesores, S. en C Arturo Lluberas (Estate of) y Sobrinos	21, 355 4, 827 27, 331 88, 482 45, 897 32, 365 8, 701 21, 107 33, 511 51, 401 21, 576	17, 732 1, 279 90 1, 282 436 521 1, 061 13, 702 1, 816 18, 348
Central San Vicente. Companía Azucarera del Camuy, Ine. Companía Azucarera del Toa. Cooperativa Azucarera Cos Canos. Corporacion Azucarera Sauri & Subira. Eastern Sugar Associates, a trust. Fajardo Sugar Co. Land Authority of Puerto Rico. Mario Mercado e Hijos. Mayagues Sugar Co., Inc. Plata Sugar Co. Soller Sugar Co. So. Porto Rico Sugar Co. of Puerto Rico. All other persons.	53, 587 11, 892 28, 467 31, 567 1, 699 84, 660 90, 734 57, 490 27, 441 8, 212 42, 232 10, 290 65, 238	11, 634
SubtotalUnallottedTotal	870, 062 209, 938 1, 080, 000	81, 740 18, 260 100, 000

Issued this 8th day of February 1955.

TRUE D. MORSE, Acting Secretary of Agriculture.

[F. R. Doc. 55-1239; Filed, Feb. 10, 1955; 8:55 a. m.]

NOTICES

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[Order 583]

EXECUTIVE OFFICER ET AL.

DELEGATION OF AUTHORITY WITH RESPECT TO PERSONAL PROPERTY

FEBRUARY 4, 1955.

SECTION 1. Authority of certain officers to dispose of and to transfer personal property. Pursuant to the authority contained in Order No. 2642 of the Secretary of the Interior, as amended November 9, 1954, the following classes of employees are authorized to dispose of and to transfer personal property excess to the needs of the Department of the Interior, including the authority to donate and to execute transfers and deliveries of donable property in accordance with the Federal Property and Administrative Services Act of 1949, as amended, and regulations issued thereunder by the General Services Administration.

Executive Officer.

Chief, Branch of Administrative Services. Area Administrators.

SEC. 2. Redelegation. The Area Administrators are authorized to redelegate the authority herein contained to any qualified employees in their respective areas. Such redelegation shall be published in the FEDERAL REGISTER.

> EDWARD WOOZLEY. Director

[F R. Doc. 55-1208; Filed, Feb. 10, 1955; 8:47 a. m.]

[Misc. 1597971, 1597973]

NEVADA AND IDAHO

NEVADA GRAZING DISTRICT NO. 1 AND IDAHO GRAZING DISTRICT NO. 1, MODIFICATION

FEBRUARY 7, 1955.

Under and pursuant to the authority vested in the Secretary of the Interior by the act of June 28, 1934 (48 Stat. 1269; 43 U. S. C. 315, et seq.) as amended, known as the Taylor Grazing Act, and in accordance with Departmental Order No. 2583, of August 16, 1950, section 2.22 (15 F R. 5645) it is ordered as follows:

The following-described lands are hereby eliminated from Nevada Grazing District No. 1 and added to Idaho Grazing District No. 1.

MOUNT DIABLO MERIDIAN, NEVADA

T. 47 N., R. 55 E.,

Secs. 1 to 3, inclusive: Secs. 11 to 13, inclusive.

T. 47 N., R. 56 E.,

Secs. 1 to 24, inclusive;

Secs. 27, 28. T. 47 N., R. 57 E.,

Secs. 1 to 18, inclusive; Secs. 23 to 25, inclusive; Sec. 36.

T. 47 N., R. 58 E., Secs. 1 to 36, inclusive.

T. 47 N., R. 59 E., Secs. 1 to 19, inclusive;

Secs. 30, 31. T. 47 N., R. 60 E.,

Secs. 2 to 11, inclusive; Secs. 14 to 18, inclusive.

> W G. GUERNSEY. Acting Director

[F. R. Doc. 55-1207; Filed, Feb. 10, 1955; 8:47 a. m.]

DEPARTMENT OF AGRICULTURE

Farmers Home Administration

DEPUTY ADMINISTRATOR AND ASSISTANT Administrator (Program)

DELEGATION AND ASSIGNMENT OF AUTHORI-TIES, POWERS, FUNCTIONS AND DUTIES RELATING TO PROGRAMS

1. Pursuant to authority contained in section 116 of Title 9 of the Administrative Regulations of the Department of Agriculture and in section 116 of the order of the Acting Secretary of Agriculture dated December 24, 1953 (19 F R. 74) there hereby are delegated and assigned to the position of Deputy Administrator and to the position of Assistant Administrator (Program) subject to the general direction and supervision of the Administrator and the limitation contained in paragraph 2 herein, all authorities, powers, functions and duties that have been, and that hereafter may be, vested in the Secretary of Agriculture and delegated and assigned to the Administrator, with respect to the administration of the loan making and loan servicing functions of the following programs:

a. The farm ownership program (7 U. S. C. 1001, 40 U. S. C. 440 (f)

b. The production and subsistence loan program (7 U. S. C. 1007: 40 U. S. C. 440 (f))

c. The soil and water conservation loan program (16 U. S. C. 590r-z, Pub. Law 597, 83d Cong.)

d. The production disaster and economic disaster loan programs (12 U.S.C. 1148a)

e. The special livestock loan program (Pub. Law 115, 83d Cong.)

f. The fur loan program (12 U.S. C. 1148a, Pub. Law 255, 83d Cong.)

g. The orchard loan program (12 U. S. C. 1148a)

h. The farm housing program of loan and grants (42 U.S. C. 1471)

904 NOTICES

- i. Liquidation and collection functions under the Farmers Home Administration Act of 1946, and under the act of April 6, 1949, establishing the Regional Agricultural Credit Corporation of Washington, D. C., and servicing and collection functions with respect to loans made under the item "Loans to Farmers, 1948 Flood Damage," in the Second Deficiency Appropriation Act, 1948, and under the item "Loans to Farmers, Property Damage," in the First Deficiency Appropriation Act, 1949.
- J. The exercise of such compromise, adjustment and cancellation authorities, functions, powers and duties vested in the Secretary of Agriculture under the act of December 20, 1944 (12 U. S. C. 1150) as may have applicability to the programs enumerated herein.
- k. The disposal of such surplus real property under the jurisdiction of the Farmers Home Administration as the Secretary may be authorized to dispose of by the Administrator of the General Services Administration.
- 1. The special emergency loan program (Public Law 727, 83d Cong.)
- 2. No loan may be approved pursuant to the authorities delegated herein which will cause the total outstanding indebtedness of the borrower to exceed \$50,000 for the principal amount of such loan and the current principal and accrued interest balances for all other loans made to the borrower by the Farmers Home Administration and its predecessor agencies.
- 3. This order supersedes and revokes the orders of the Administrator dated February 2, 1954 (19 F R. 715) and September 9, 1954 (19 F R. 5972)

Issued this 7th day of February 1955.

[SEAL]

R. B. McLeaish, Administrator

Farmers Home Administration.

[F R. Doc. 55-1219; Filed, Feb. 10, 1955; 8:50 a. m.]

DEPUTY ADMINISTRATOR ET AL.

DELEGATIONS TO ACT AS ADMINISTRATOR

Pursuant to authority contained in section 116 of Title 9 of the Administrative Regulations of the Department of Agriculture and in section 116 of the order of the Acting Secretary of Agriculture dated December 24, 1953 (19 F R. 74) it is hereby ordered that:

- 1. The Deputy Administrator of the Farmers Home Administration shall serve as Acting Administrator when the Administrator is absent or otherwise unavailable.
- 2. The Assistant Administrator (Program) of the Farmers Home Administration shall serve as Acting Administrator when the Administrator and the Deputy Administrator are absent or otherwise unavailable.
- 3. The Assistant Administrator (Operations) of the Farmers Home Administration shall serve as Acting Administrator when the Administrator, Deputy Administrator, and Assistant Administrator (Program) are absent or otherwise unavailable.

4. The Acting Administrator may exercise all the powers and functions which are now or may hereafter be vested in the Administrator.

5. This order supersedes the order of the Administrator of the Farmers Home Administration dated October 14, 1953 (18 F R. 6722)

Issued this 7th day of February 1955.

[SEAL] R. B. MCLEAISH.

R. B. McLeaish, Administrator

Farmers Home Administration.

[F R. Doc. 55-1220; Filed, Feb. 10, 1955; 8:50 a. m.]

DEPARTMENT OF COMMERCE

Office of the Secretary

[Dept. Order 119 (Amended)]

ASSISTANT SECRETARY OF COMMERCE FOR INTERNATIONAL AFFAIRS

AUTHORITY, RESPONSIBILITIES AND DUTIES

The material appearing at 16 F R. 8190 is superseded by the following:

Section 1. Purpose. The purpose of this order is to delegate and describe the duties and responsibilities of the Assistant Secretary of Commerce for International Affairs.

SEC. 2. Authority. .01 The Assistant Secretary of Commerce appointed pursuant to Public Law 191, 80th Congress, s designated as the Assistant Secretary of Commerce for International Affairs.

- .02 The duties and activities of the Assistant Secretary of Commerce for International Affairs described in this order are prescribed pursuant to the authority vested in the Secretary of Commerce by law, including Reorganization Plan No. 5 of 1950.
- .03 All the authority vested in and exercised by the head of the Bureau of Foreign Commerce by department orders or other delegations of authority are hereby made subject to the policy direction and coordination of the Assistant Secretary of Commerce for International Affairs.
- SEC. 3. Duties and responsibilities. .01 The Assistant Secretary of Commerce for International Affairs shall:
- 1. Serve as the principal advisor to the Secretary on all international aspects of the Department's responsibilities concerning industry trade and related economic activities;
- 2. Exercise policy direction and coordination over the Bureau of Foreign Commerce and the Advisory Committee on Export Policy and
- 3. Consult with the Under Secretary of Commerce, the Under Secretary for Transportation, and the Assistant Secretary for Domestic Affairs on matters of common interest in their respective areas of responsibility.
- .02 More specifically but not by way of limitation, the Assistant Secretary of Commerce for International Affairs shall.
- 1. Review and coordinate the policies and activities of the Department relating to the promotion of private foreign investment and economic development; foreign trade, transportation, and travel;

participation in international trade fairs; and the administration of the Export Control Act, the China Trade Act, and the Foreign Trade Zones Act;

- 2. Represent the Department on the Advisory Committee on Export Policy of which he shall be the Chairman; the Board of Foreign Service; the Interdepartmental Advisory Council on Technical Cooperation, and the Committee of Alternates, Foreign Trade Zones Board, serve as the alternate to the Secretary of Commerce on the National Advisory Council on International Monetary and Financial Problems; and participate in activities of international organization, including the United Nations; and
- 3. Develop in consultation with the Assistant Secretary for Domestic Affairs and the Under Secretary for Transportation, as appropriate, the Department's views and position on international problems, including those involved in the reciprocal trade agreements programs and foreign financial activities of the government.

SEC. 4. Effect on other orders. .01 This order shall not be construed to affect any authorities delegated to officers of the Department empowering them to take administrative, security or legal action. This order is to be construed as consistent with Department Order No. 128 (Amended) of February 13, 1953, and Department Order No. 133 (Amended) of January 25, 1955.

.02 This order supersedes Department Order No. 25 (Amended) of June 27, 1951, and Department Order No. 119 (Amended) of August 7, 1951. Any other orders or parts of orders the provisions of which are inconsistent or in conflict with the provisions of this order are hereby amended or superseded accordingly.

Effective date: January 25, 1955.

SINCLAIR WEEKS, Secretary of Commerce.

[F R. Doc. 55-1203; Filed, Feb. 10, 1955; 8:46 a. m.]

[Dept. Order 133 (Amended)]

Assistant Secretary of Commerce for Domestic Affairs

AUTHORITY, RESPONSIBILITIES AND DUTIES

The material appearing at 16 F R. 8191 is superseded by the following:

SECTION 1. Purpose. The purpose of this order is to delegate and describe the duties and responsibilities of the Assistant Secretary of Commerce for Domestic Affairs.

Sec. 2. Authority. .01 The Assistant Secretary of Commerce appointed pursuant to the Air Commerce Act of 1926 is designated as the Assistant Secretary of Commerce for Domestic Affairs.

.02 The duties and activities of the Assistant Secretary of Commerce for Domestic Affairs described in this order are prescribed pursuant to the authority vested in the Secretary of Commerce by law, including Reorganization Plan No. 5 of 1950.

.03 All the authority vested in and exercised by the heads of the Business and Defense Services Administration, the Bureau of the Census, and the Office of Business Economics, by department orders or other delegations of authority are hereby made subject to the policy direction and coordination of the Assistant Secretary of Commerce for Domestic Affairs.

SEC. 3. Duties and responsibilities. .01 The Assistant Secretary of Commerce for Domestic Affairs shall.

- 1. Serve as the principal advisor to the Secretary on all domestic aspects of the Department's responsibilities concerning industry, trade, and related economic activities:
- 2. Exercise policy direction and coordination over the Business and Defense Services Administration, the Bureau of the Census, and the Office of Business Economics; and
- 3. Consult with the Under Secretary of Commerce, the Under Secretary for Transportation, and the Assistant Secretary for International Affairs on matters of common interest in their respective areas of responsibility.

.02 More specifically, but not by way of limitation, the Assistant Secretary of Commerce for Domestic Affairs shall.

- 1. Review and coordinate the policies and activities of the Department relating to the promotion of domestic industry and trade; defense production and mobilization preparedness of domestic industry commodity and industrial activity reporting; the conduct of censuses, surveys, and statistical analyses; and analyses of economic trends and conditions; and
- 2. Review and coordinate the policies of the Department relating to the administration of the foreign excess property provisions of the Surplus Property Act of 1944 and the Federal Property and Administrative Services Act of 1949.

SEC. 4. Effect on other orders. .01 This order shall not be construed to affect any authorities delegated to officers of the Department empowering them to take administrative, security or legal action. This order is to be construed as consistent with Department Order No. 128 (Amended) of February 13, 1953, and Department Order No. 119 (Amended) of January 25, 1955.

.02 This order supersedes Department Order No. 133 of August 7, 1951. Any other orders or parts of orders the provisions of which are inconsistent or in conflict with the provisions of this order are hereby amended or superseded accordingly.

Effective date: January 25, 1955.

SINCLAIR WEEKS, Secretary of Commerce.

[F R. Doc. 55-1204; Filed, Feb. 10, 1955; 8:46 a. m.]

[Dept. Order 159]

OFFICE OF INTERNATIONAL TRADE FAIRS
ESTABLISHMENT, AUTHORITY, FUNCTIONS
AND DUTIES

SECTION 1. Purpose. The purpose of this order is to establish the Office of

International Trade Fairs and to describe its organization and functions.

SEC. 2. Establishment and organization. .01 Pursuant to the authority vested in the Secretary of Commerce by Reorganization Plan No. 5 of 1950, there is hereby established as a constituent unit of the Office of the Secretary of Commerce the Office of International Trade Fairs. The Office of International Trade Fairs shall be headed by a Director who shall report to the Assistant Secretary of Commerce for International Affairs.

.02 The Office of International Trade Fairs shall consist of the following organization units:

- 1. The Office of the Director (1) Staff Officers.
- 2. Assistant Director for Europe and Latin America. (1) Operations Divisions.
- 3. Assistant Director for the Far East and the Near East; (1) Operations Divisions.
 - 4. Design and Construction Division.5. Industrial Contacts Division.

SEC. 3. Delegation of authority. .01
Subject to such policies and limitations as the Secretary of Commerce may prescribe, the Director of the Office of International Trade Fairs shall perform the functions and exercise the power and authorities relating to the promotion of United States international trade, through the medium of international trade fairs, vested in the Secretary of Commerce by the Act of February 14, 1903 (32 Stat. 826) as amended.

02. The Director of the Office of International Trade Fairs may redelegate any power or authority conferred on him by this order to any officer of the Office of International Trade Fairs.

SEC. 4. Objective and general functions. The objective of the Office of International Trade Fairs shall be to foster and promote the foreign commerce of the United States through the medium of international trade fairs. To this end, the Office shall:

1. Cooperate with United States business and industry to stimulate a wider use of the international trade fair abroad as a medium for the promotion of commerce and for the maintenance of the prestige of United States industry in foreign markets, by stimulating and facilitating display of American products by individual companies at such international trade fairs; and

2. Coordinate, plan, design, establish, and maintain joint industry-government exhibits at selected international trade fairs abroad for the purpose of displaying official interest in such fairs and of strengthening total United States participation in specific events.

SEC. 5. Duties and responsibilities. 01 The Director shall be responsible for developing and coordinating the programs, and directing all operations and administrative activities of the Office of International Trade Fairs. The immediate Office of the Director shall include the following staff officers:

1. Executive Assistant to the Director who shall assist the Director in the performance of his functions and perform

such other specific duties as the Director may assign.

2. Administrative Officer who shall assist the Director in fulfilling his responsibilities for administrative efficiency and economy in the Office of International Trade Fairs; and secure all necessary administrative services for the Office through the appropriate offices reporting to the Assistant Secretary of Commerce for Administration; and

3. Public Relations Officer who shall maintain liaison with the daily and trade press and other media of public communication and shall be responsible for making available to the public current information on the operations of the Office.

.02 The Assistant Directors shall be responsible for that portion of the programs of the Office of International Trade Fairs relating to assigned geographical areas and shall recommend policies and programs and advise the Director on their practical application to the operations of the Office. There shall be an Assistant Director for Europe and Latin America and an Assistant Director for the Far East and the Near East.

.03 The Operations Divisions shall be responsible for planning, coordinating, and establishing official exhibits in assigned geographic areas utilizing the other services of the Office as may be appropriate for this purpose. These divisions shall include the European Operations Division and the Latin American Operations Division, which shall report to the Assistant Director for Europe and Latin America, and the Far East Operations Division, which shall report to the Assistant Director for the Far East American Division, which shall report to the Assistant Director for the Far East and the Near East.

.04 The Design and Construction Division shall be responsible for the design and construction of official exhibits sponsored by the Office.

.05 The Industrial Contacts Division shall be responsible for obtaining from United States business and industry appropriate products for display in official exhibits and for their collection and dispatch from United States ports as well as developing industry participation in the trade fair programs.

.06 The programs of the Design and Construction Division and the Industrial Contacts Division shall be developed in collaboration with the Assistant Directors for their respective areas of jurisdiction in consideration of the specific requirements of individual trade fairs.

.07 The Office of the General Counsel of the Department shall furnish legal advice and other necessary legal services as may be required by the Office of International Trade Fairs.

.08 The Bureau of Foreign Commerce, in collaboration with the Office of International Trade Fairs, shall exercise its functions in facilitating the effective conduct of international trade fairs and shall assume specific responsibility for the following:

1. Developing and maintaining pertinent economic data relating to international trade fair operations and the publication and dissemination of such data as appropriate; and 906 NOTICES

2. The formulation of individual trade information missions and maintenance of trade information centers at international trade fairs.

SEC. 6. Effect on other orders. Any other orders or parts of orders the provisions of which are inconsistent or in conflict with the provisions of this order are hereby amended or superseded accordingly.

Effective date: January 27, 1955.

SINCLAIR WEEKS, Secretary of Commerce.

[F R. Doc. 55-1205; Filed, Feb. 10, 1955; 8:46 a. m.]

HOUSING AND HOME FINANCE AGENCY

Public Housing Administration

DESCRIPTION OF AGENCY AND PRINCIPAL PROGRAMS

MISCELLANEOUS AMENDMENTS

Section I Description of agency and principal programs, is amended as follows:

Paragraph D is amended as follows: Subparagraphs numbered 4 through 11 should be renumbered 5 through 12 and this new paragraph 4 inserted.

4. The Assistant to the Commissioner (Compliance) is responsible for activities relating to the prevention and correction of improper practices (illegal, fraudulent, dishonest, or grossly negligent action or similar matters arising in connection with any PHA activity) His office assists the Commissioner in the formulation of policies and procedures relating to improper practices: investigates complaints and reports indicating improper practices and coordinates all related investigative activities within the PHA, and develops and executes a program of inspections and other preventive measures designed to eliminate improper practices. The Assistant to the Commissioner also serves as the PHA's Compliance Liaison Officer with the Office of the Housing and Home Finance Administrator.

Date approved. February 4, 1955.

[SEAL]

CHARLES E. SLUSSER, Commissioner

[F R. Doc. 55-1211; Filed, Feb. 10, 1955; 8:48 a. m.]

SMALL BUSINESS ADMINISTRA-TION

[Declaration of Disaster Area 41]

MISSISSIPPI

DECLARATION OF DISASTER AREA

Whereas, it has been reported that beginning on or about February 1, 1955, because of the disastrous effects of tornadoes, damage resulted to residences and business property located in certain areas in the State of Mississippi; and

Whereas, the Small Business Administration has investigated and has received other reports of investigations of conditions in the areas affected; and

Whereas, after reading and evaluating reports of such conditions, I find that the conditions in such areas constitute a catastrophe within the purview of the Small Business Act of 1953;

Now, therefore, as Administrator of the Small Business Administration, I hereby determine that:

1. Applications for disaster loans under the provisions of Section 207 (b) of the Small Business Act of 1953 may be received and considered by either of the Offices below indicated from persons or firms whose property situated in the following counties (including any areas adjacent to said counties) suffered damage or other destruction as a result of the catastrophe above referred to:

Counties of: De Soto, Small Business Administration Regional Office, Peachtree Seventh Building, Room 263, 50 Seventh Street NE., Atlanta 5, Ga., Tunica, Small Business Administration Branch Office, Falls Building, Room 323, Memphis, Tenn.

- 2. Special field offices to receive such applications will not be established at this time.
- 3. Applications for disaster loans under the authority of this declaration will not be accepted subsequent to August 31, 1955.

Dated: February 8, 1955.

WENDELL B. BARNES, Administrator

[F R. Doc. 55-1238; Filed, Feb. 10, 1955; 8:54 a. m.]

FEDERAL POWER COMMISSION

[Docket No. G-2534]

ALABAMA-TENNESSEE NATURAL GAS CO.

NOTICE OF FINDINGS AND ORDER

FEBRUARY 7, 1955.

Notice is hereby given that on January 4, 1955, the Federal Power Commission issued its order adopted December 29, 1954, issuing a certificate of public convenience and necessity and approving abandonment of facilities in the above-entitled matter.

[SEAL]

LEON M. FUQUAY, Secretary.

[F R. Doc. 55-1232; Filed, Feb. 10, 1955; 8:53 a. m.]

[Docket Nos. G-3249, G-3251]

HALL, STEVENS AND HALL AND MAGGIE MAY HALL

NOTICE OF APPLICATIONS AND DATE OF HEARING

FEBRUARY 4, 1955.

In the matters of Hall, Stevens and Hall, Docket No. G-3249; Maggie May Hall, Docket No. G-3251.

Take notice that Hall, Stevens and

Take notice that Hall, Stevens and Hall and Maggie May Hall (Applicants) whose addresses are Prestonburg, Kentucky filed on September 27, 1954, applications for a certificate of public convenience and necessity in the above designated matters pursuant to section 7 of the Natural Gas Act, authorizing each Applicant to render service as here-

fnafter described, subject to the jurisdiction of the Commission, all as more fully represented in the application which is on file with the Commission and open for public inspection.

Applicant at Docket No. G-3249 produces natural gas in Knott County Kentucky, and sells it in interstate commerce to the Kentucky-West Virginia Gas Company (contract dated November 19, 1937) for resale.

Applicant at Docket No. G-3251 produces natural gas in Floyd County Kentucky and sells it in interstate commerce to the Kentucky-West Virginia Gas Company (contract dated December 9, 1937) for resale.

These related matters should be heard on a consolidated record and disposed of as promptly as possible under the applicable rules and regulations and to that end.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on March 2, 1955, at 9:30 a. m., e. s. t., in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, D. C., concerning the matters involved in and the issues presented by such applications: Provided, however That the Commission may, after a noncontested hearing, dispose of the proceedings pursuant to the provisions of § 1.30 (c) (1) or (2) of the Commission's rules of practice and procedure.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before February 21, 1955. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL]

LEON M. FUQUAY, Secretary.

[F R. Doc. 55-1230; Filed, Feb. 10, 1955; 8:53 a. m.]

[Docket No. G-3586]

WISER OIL CO.

NOTICE OF APPLICATION AND DATE
OF HEARING

FEBRUARY 4, 1955.

Take notice that The Wiser Oil Company (Applicant) an Oklahoma corporation whose address is Box 192, Sistersville, West Virginia, filed an application on September 23, 1954, as amended December 23, 1954, for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, authorizing Applicant to render service as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in the application which is on file with the Commission and open for public inspection.

Applicant sells natural gas produced in Wetzel County West Virginia, to Manufacturers Light and Heat Company at 20 cents per Mcf for transportation in interstate commerce for resale.

This matter is one that should be disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on March 1, 1955, at 9.40 a.m., e. s. t., in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, D. C. concerning the matters involved in and the issues presented by such application: Provided, however That the Commission may after a noncontested hearing, dispose of the proceedings pursuant to the provisions of § 1.30 (c) (1) or (2) of the Commission's rules of practice and procedure.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before the 21st day of February 1955. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL]

LEON M. FUQUAY, Secretary.

[F R. Doc. 55-1209; Filed, Feb. 10, 1955; 8:47 a. m.]

[Docket Nos. G-3745, G-3983, G-4445] CAMPBELL CREEK GAS CO. ET AL. NOTICE OF APPLICATIONS AND DATE OF

HEARING

FEBRUARY 4, 1955.

In the matters of Campbell Creek Gas Company Docket No. G-3745, E. R. Reed, Docket No. G-3983 Morehead Gas & Oil Company Docket No. G-4445.

Take notice that there have been filed with the Federal Power Commission applications as follows:

Applicant	Address	Date filed	Docket No.
Campbell Creek Gas Co	Charleston, W Va Clay, W Va	Sept. 30, 1954 Oct. 1, 1954 Oct. 18, 1954	G-3745 G-3983 G-4415

for certificates of public convenience and necessity pursuant to section 7 of the Natural Gas Act, authorizing the respective Applicants to sell natural gas as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in the respective applications on file with the Commission for public inspection.

Applicants produce and sell natural gas to United Fuel Gas Company at 16 cents per Mcf as indicated below

Applicant	Location of field	Volume sold	ume sold Date of con- tract	
E. R. Reed	Kanawha County, W Va	Full production Full production 2,400 Mcf per day.	Dec. 7, 1927	

These related matters should be heard on a consolidated record and disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on March 1, 1955, at 9:30 a.m., e. s. t., in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, D. C., concerning the matters involved in and the issues presented by such applica-tions: Provided, however That the Commission may after a noncontested hearing, dispose of the proceedings pursuant to the provisions of § 1.30 (c) (1) or (2) of the Commission's rules of practice and procedure.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before the 21st day of February 1955. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL]

LEON M. FUQUAY, Secretary.

[F R. Doc. 55-1210; Filed, Feb. 10, 1955; 8:48 a. m.]

[Docket No. G-3991]

HENSHAW BROTHERS ET AL.

NOTICE OF POSTPONEMENT OF HEARING

FEBRUARY 7, 1955.

Upon consideration of the motion to withdraw application, filed January 27, 1955, in the above-designated matter;

Notice is hereby given that the hearing now scheduled for February 8, 1955, is hereby postponed without date subject to further notice.

[SEAL]

LEON M. FUQUAY, Secretary.

[F R. Doc. 55-1231; Filed, Feb. 10, 1955; 8:53 a. m.]

[Docket Nos. G-4612-G-4614]

SOUTHERN UNION GAS CO. AND AZTEC OIL AND GAS CO.

NOTICE OF FINDINGS AND ORDER

FEBRUARY 7, 1955.

In the matters of Southern Union Gas Company, Docket Nos. G-4612 and G-4613; Aztec Oil & Gas Company, Docket No. G-4614.

Notice is hereby given that on January 5, 1955, the Federal Power Commission issued its findings and order adopted December 29, 1954, in the above-entitled matters, issuing a certificate of public convenience and necessity to Aztec Oil & Gas Company, Docket No. G-4614, and dismissing application of Southern Union Gas Company, Docket Nos. G-4612 and G-4613.

[SEAL]

LEON M. FUQUAY, Secretary.

[F. R. Doc. 55-1233; Filed, Feb. 10, 1955; 8:53 a. m.]

[Docket No. G-4667]

ANDERSON NATURAL GAS Co.

NOTICE OF FINDINGS AND ORDER

FEBRUARY 7, 1955.

Notice is hereby given that on January 4, 1955, the Federal Power Commission issued its order adopted December 29, 1954, directing physical connection of facilities and sale of natural gas in the above-entitled matter.

[SEAL]

LEON M. FUQUAY, Secretary.

[F R. Doc. 55-1234; Filed, Feb. 10, 1955; 8:54 a.m.]

[Docket No. G-5294]

RIVER GAS CO.

NOTICE OF DECLARATION OF EXEMPTION

FEBRUARY 7, 1955.

Notice is hereby given that on January 4, 1955, the Federal Power Commission issued its declaration of exemption from the provisions of the Natural Gas Actadopted December 29, 1954, in the above-entitled matter.

[SEAL]

LEON M. FUQUAY, Secretary.

[F. R. Doc. 55-1235; Filed, Feb. 10, 1955; 8:54 a. m.]

[Docket Nos. G-5475-G-5477]

UNITED FUEL GAS CO. ET AL.

NOTICE OF ORDERS MAKING EFFECTIVE PRO-POSED GAS TARIFF SHEETS

FEBRUARY 7, 1955.

In the matters of United Fuel Gas Company Docket No. G-5475 Central Kentucky Natural Gas Company, Docket No. G-5476 Atlantic Seaboard Corporation, Docket No. G-5477.

Notice is hereby given that on January 4, 1955, the Federal Power Commission issued its orders adopted December 29, 1954, making effective proposed gas tariff sheets upon filing of undertaking to assure refund of excess charges in the above-entitled matters.

[SEAL]

LEON M. FUQUAY, Secretary.

[F R. Doc. 55-1236; Filed, Feb. 10, 1955; 8:54 a. m.]

[Docket Nos. IT-5971, IT-6056, E-6337, E-6340]

DEPARTMENT OF THE INTERIOR, SOUTH-WESTERN POWER ADMINISTRATION

NOTICE OF ORDER EXTENDING CONFIRMATION
AND APPROVAL OF RATE SCHEDULES

FEBRUARY 7, 1955.

Notice is hereby given that on January 5, 1955, the Federal Power Commission issued its order adopted December 31, 1954, extending confirmation and approval of rate schedules in the above-entitled matters.

[SEAL]

LEON M. FUQUAY, Secretary.

[F R. Doc. 55-1237; Filed, Feb. 10, 1955; 8:54 a. m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 70-3338]

CENTRAL AND SOUTH WEST CORP ET AL.

NOTICE OF FILING REGARDING ISSUANCE AND SALE OF COMMON STOCK BY REGISTERED HOLDING COMPANY AND RETIREMENT OF OUTSTANDING NOTES; NOTICE OF FILING REGARDING ISSUANCE AND SALE BY PUBLIC UTILITY SUBSIDIARIES AND ACQUISITION BY REGISTERED HOLDING COMPANY OF ADDITIONAL SHARES OF COMMON STOCK

FEBRUARY 7, 1955.

In the matter of Central and South West Corporation, Public Service Company of Oklahoma, Southwestern Gas and Electric Company Central Power and Light Company File No. 70-3338.

Notice is hereby given that Central and South West Corporation ("Central") a registered holding company, and three of its public-utility subsidiaries, Public Service Company of Oklahoma ("Public Service") Southwestern Gas and Electric Company ("Southwestern") and Central Power and Light Company ("Power & Light") have filed a joint application-declaration with the Commission pursuant to the provisions of the Public Utility Holding Company Act of 1935 ("act") Applicants-

declarants have designated sections 6, 7, 9, 10, and 12 (f) of the act and Rules U-42, U-43 and U-50 thereunder as applicable to said application-declaration.

All interested persons are referred to such application-declaration, which is on file in the offices of the Commission, for a statement of the transactions proposed therein, which are summarized as follows:

Central proposes to issue and sell, to or through underwriters or investment bankers who shall have agreed promptly to make a public offering thereof, 600,000 shares of its authorized and unissued common stock, par value \$5 per share, at competitive bidding pursuant to Rule U-50 of the rules and regulations promulgated under the act. The net proceeds to be received by Central from the sale of said 600,000 shares of common stock will be applied by Central to the prepayment, at the principal amount thereof, of \$9,750,000 principal amount of 3½ percent notes payable to banks and an insurance company, due December 31, 1955, and to the purchase, from time to time during 1955, at the par value thereof, of additional shares of the common stock of Public Service, Southwestern and Power & Light of the aggregate par amount of \$8,000,000. Any additional amount that may be required by Central for the foregoing purposes will be supplied from funds in Central's treasury if and to the extent necessary and any excess of said proceeds over approximately \$17.750.000 may be used by Central to purchase additional shares of the common stock of one or more of its four principal subsidiaries (subject to any requisite approval of the Commission under the act) or for general corporate purposes.

Public Service proposes to amend its Articles of Incorporation so as to increase from 3,000,000 to 4,000,000 the number of shares of its authorized common stock, par value \$10 per share, of which 3,000,000 shares are now outstanding; and Power & Light proposes to amend its Charter so as to increase from 3,197,300 to 3,497,300 the number of shares of its authorized common stock, par value \$10 per share, of which 3,197,300 shares are now outstanding.

Public Service, Southwestern and Power & Light propose to issue and sell, from time to time during 1955 as funds are required by such companies for construction, and Central proposes to acquire, for cash at the par value thereof, additional shares of common stock as follows:

(a) Public Service, 300,000 shares, par value \$10 per share, for \$3,000,000

(b) Southwestern, 200,000 shares, par value \$10 per share, for \$2,000,000 and

(c) Power & Light, 300,000 shares, par value \$10 per share, for \$3,000,000.

Central represents that the Corporation Commission of the State of Oklahoma has jurisdiction over the issuance and sale by Public Service of additional shares of its common stock and that no other State commission or Federal regulatory agency other than this Commission, has any jurisdiction over the proposed transactions.

Notice is further given that any interested person may not later than Febru-

ary 18, 1955, at 5:30 p. m., e. s. t., request the Commission in writing that a hearing be held on such matter, stating the nature of his interest, the reason for such request, and the issues of fact or law, if any which he proposes to controvert, or he may request that he be notified if the Commission should order a hearing thereon. Any such request shall bear the caption of this notice and shall be addressed. Secretary Securities and Exchange Commission, Washington 25, D. C. At any time after February 18. 1955, said application-declaration, as filed or as it may hereafter be amended, may be granted and permitted to become effective pursuant to Rule U-23 of the rules and regulations promulgated under the act, or such transactions may be exempted pursuant to rules U-20 (a) and U-100 thereof.

By the Commission.

[SEAL] ORVAL L. DUBOIS, Secretary.

[F R. Doc. 55-1212; Filed, Feb. 10, 1955; 8:48 a. m.]

[File No. 24D-1552]

SAN MIGUEL URANIUM MINES, INC.

ORDER TEMPORARILY DENYING EXEMPTION, STATEMENT OF REASONS THEREFOR, AND NOTICE OF OPPORTUNITY FOR HEARING

FEBRUARY 7, 1955.

I. San Miguel Uranium Mines, Inc. of the Mineral Building, Grand Junction, Colorado, having filed with the Commission on January 6, 1955, a Notification on Form 1-A relating to a proposed public offering of 2,000,000 shares of its common stock, one cent par value, at 15 cents per share for the purpose of obtaining an exemption from the registration requirements of the Securities Act of 1933, as amended, pursuant to the provisions of section 3 (b) thereof and Regulation A promulgated thereunder and

II. The Commission having reasonable cause to believe:

A. That the terms and conditions of Regulation A have not been complied with in respect of such Notification, in that the aggregate offering price of said securities would exceed the limitation of \$300,000 as prescribed by Rule 217 (a) under the following circumstances:

Consolidated Uranium Mines, Inc. owns an undivided one-half interest in certain claims in which the issuer owns the other undivided one-half interest;

Consolidated Uranium Mines, Inc. also owns an undivided one-half interest in certain other claims in which Crescent Uranium Mines, Inc. owns the other undivided one-half interest;

Crescent Uranium Mines, Inc. filed a Notification on Form 1-A under Regulation A with the Commission on October 13, 1954, for a public offering of \$300,000 of its stock, and thereafter such stock was offered and sold;

Tellier & Co. caused the organization of Crescent Uranium Mines, Inc. and San Miguel Uranium Mines, Inc., was and is the underwriter in connection with public offerings of stock of said companies, loaned the sum of \$25,000 each to Cres-

cent Uranium Mines, Inc. and to San Miguel Uranium Mines, Inc. upon their organization and is affiliated with said companies and Consolidated Uranium Mines, Inc.

B. That the offering may operate as a fraud or deceit upon the purchaser.

III. It is ordered pursuant to Rule 223 (a) of the general rules and regulations under the Securities Act of 1933, as amended, that the exemption under Regulation A be, and it hereby is, temporarily denied.

Notice is hereby given that any person having any interest in the matter may file with the Secretary of the Commission a written request for a hearing. that, within 20 days after receipt of such request, the Commission will, or at any time upon its own motion may, set the matter down for hearing at a place to be designated by the Commission for the purpose of determining whether this order of denial should be vacated or made permanent, without prejudice, however, to the consideration and presentation of additional matters at the hearing; and that notice of the time and place for said hearing will be promptly given by the Commission.

It is further ordered, That this order and notice shall be served upon San Miguel Uranium Mines, Inc., Tellier & Co., and Registrar & Transfer Company personally or by registered mail or by confirmed telegraphic notice, and shall be published in the Federal Register.

By the Commission.

[SEAL]

ORVAL L. DuBois, Secretary.

[F. R. Doc. 55-1213; Filed, Feb. 10, 1955; 8:48 a.m.]

INTERSTATE COMMERCE COMMISSION

[4th Sec. Application 30222]

VARIOUS COMMODITIES FROM TRUNK-LINE AND NEW ENGLAND TERRITORIES TO SOUTHERN TERRITORY

APPLICATION FOR RELIEF

FEBRUARY 8, 1955.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by C. W Bom and C. R. Goldrich, Agents, for carriers parties to schedules shown in exhibit A of the application, pursuant to fourth-section order No. 17220.

Commodities involved: Various commodities, carloads.

From. Specified points in trunk-line and New England territories.

To: Points in southern territory.

Grounds for relief. Competition with rail carriers, and circuitous routes.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their

interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL]

GEORGE W LAIRD, Secretary.

[F R. Doc. 55-1221; Filed, Feb. 10, 1955; 8:50 a. m.]

[4th Sec. Application 30223]

Automobile Parts From Michigan and Ohio to Georgia

APPLICATION FOR RELIEF

FEBRUARY 8, 1955.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by H. R. Hinsch, Agent, for carriers parties to his tariff I. C. C. No. 4510, pursuant to fourth-section order No. 17220.

Commodities involved: Automobile parts, carloads.

From: Flint and Grand Rapids, Mich., and Hamilton, Ohio.

To: Atlanta, Roseland, and Army Depot, Ga.

Grounds for relief: Competition with rail carriers, and circuitous routes.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL]

GEORGE W LAIRD, Secretary.

[F R. Doc. 55-1222; Filed, Feb. 10, 1955; 8:51 a. m.]

[4th Sec. Application 30224]

VARIOUS COMMODITIES FROM POINTS IN THE SOUTH TO SOUTHERN OFFICIAL AND WESTERN TRUNK-LINE TERRITORIES

APPLICATION FOR RELIEF

FEBRUARY 8, 1955.

The Commission is in receipt of the above-entitled and numbered application

for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by R. E. Boyle, Jr., Agent, for carriers parties to schedules shown in exhibit A of the application, pursuant to fourth-section order No. 17220.

Commodities involved: Various commodities, carloads.

From: Points in southern territory

To: Points in southern, official and western trunk-line territories.

Grounds for relief: Competition with rail carriers and circuitous routes.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL] GEORGE W LAIRD, Secretary.

[F R. Doc. 55-1223; Filed, Feb. 10, 1955; 8:51 a. m.]

[4th Sec. Application 30225]

LIME FROM TENNESSEE TO RIDGEWOOD, FLA.

APPLICATION FOR RELIEF

FEBRUARY 8, 1955.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by R. E. Boyle, Jr., Agent, for carriers parties to schedule listed below.

Commodities involved: Lime, carloads. From: Knoxville, River Front Extension, and South Knoxville Extension, Tenn.

To: Ridgewood, Fla.

Grounds for relief: Rail competition, circuity, to apply rates constructed on the basis of the short line distance formula, and additional origins.

Schedules filed containing proposed rates: C. A. Spaninger, Agent, I. C. C. 1345, supp. 30.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved

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in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL]

George W Laird, Secretary.

[F R. Doc. 55-1224; Filed, Feb. 10, 1955; 8:51 a. m.]

[4th Sec. Application 30226]

LIME FROM ROBERTA AND NORTH BIRMING-HAM, ALA., TO NASHVILLE, TENN.

APPLICATION FOR RELIEF

FEBRUARY 8, 1955.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by R. E. Boyle, Jr., Agent, for carriers parties to schedule listed below. Commodities involved. Lime, carloads.

From: Roberta and North Birming-ham, Ala.

To: Nashville, Tenn.

Grounds for relief Competition with rail carriers, and circuitous routes.

Schedules filed containing proposed rates: C. A. Spaninger, Agent, I. C. C. No.

1345, supp. 30.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period. may be held subsequently.

By the Commission.

[SEAL]

George W Laird, Secretary.

[F R. Doc. 55-1225; Filed, Feb. 10, 1955; 8:51 a.m.]

[4th Sec. Application 30227]

CEMENT FROM ST. LOUIS, Mo., TO NEW YORK AND NEW JERSEY

APPLICATION FOR RELIEF

FEBRUARY 8, 1955.

The Commission is in receipt of the above-entitled and numbered applica-

tion for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by H. R. Hinsch, Agent, for carriers parties to schedule listed below. Commodities involved: Cement, car-

From. St. Louis, Mo.

loads.

To: Points in New York State and Jersey City N. J.

Grounds for relief: Rail competition, circuity and to apply rates constructed on the basis of the short line distance formula.

Schedules filed containing proposed rates: H. R. Hinsch, Agent, I. C. C. No. 3826, supp. 74.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL]

GEORGE W LAIRD, Secretary.

[F R. Doc. 55-1226; Filed, Feb. 10, 1955; 8:51 a. m.]

[4th Sec. Application 30228]

CRUDE SULPHUR FROM LOUISIANA AND TEXAS TO GREEN BAY, WIS.

APPLICATION FOR RELIEF

FEBRUARY 8, 1955.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by W J. Prueter, Agent, for parties to schedules listed below.

Commodities involved: Sulphur (brimstone) crude, carloads.

From. Points in Louisiana and Texas. To: Green Bay, Wis.

Grounds for relief: Rail competition, competition with water carriers, and market competition.

Schedules filed containing proposed rates: W J. Prueter, Agent, I. C. C. A-3991, supp. 44, F C. Kratzmeir, Agent, I. C. C. 3862, supp. 252.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Com-

mission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL]

GEORGE W LAIRD, Secretary.

[F. R. Doc. 55-1227; Filed, Feb. 10, 1955; 8:51 a.m.]

[4th Sec. Application 30229]

ETHYLENE GLYCOL AND DIETHYLENE GLYCOL FROM ORANGE, TEX., TO CHICAGO, ILL.

APPLICATION FOR RELIEF

FEBRUARY 8, 1955.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by F C. Kratzmeir, Agent, for carriers parties to schedule listed below.

Commodities involved: Ethylene glycol and diethylene glycol, in tank-car loads.

From. Orange, Tex.
To: Chicago, Ill., and points in the Chicago Switching district.

Grounds for relief: Rail competition, circuity, and competition with water carriers, additional commodity also additional points in Chicago district.

Schedules filed containing proposed rates: F C. Kratzmeir, Agent, I. C. C. No. 4064, supp. 55.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL]

GEORGE W LAIRD, Secretary.

[F. R. Doc. 55-1228; Filed, Feb. 10, 1955; 8:52 a. m.]